

COLEG SIR GAR

England & Wales · Charity number 1152522

Details

Status	Registered
Legal form	Charitable company
Company number	08539630
Registered	2013-06-20
Register	View on the Charity Commission register

Contact

Address	Coleg Sir Gar Graig Campus Sandy Road Llanelli Dyfed SA15 4DN
Phone	01554748000
Email	governance@colegsirgar.ac.uk
Website	www.colegsirgar.ac.uk

Activities

Objects: THE COLLEGE'S OBJECTS ARE TO PROVIDE FOR THE PUBLIC BENEFIT IN THE UNITED KINGDOM AND ELSEWHERE FURTHER AND HIGHER EDUCATION AND (SUBJECT TO ANY CONSULTATION WITH ANY RELEVANT LOCAL AUTHORITY) SECONDARY EDUCATION (AS DEFINED IN EACH CASE IN SECTION 18(1) OF THE FURTHER AND HIGHER EDUCATION ACT 1992 (OR ANY REPLACEMENT THEREFOR).

Activities: Educational Services

Classification

- **How:** Provides Services
- **What:** Education/training
- **Who:** Children/young People, Other Defined Groups

Geography

- Carmarthenshire
- Ceredigion

Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£51,880,000	£51,482,000	£30,083,000	487
2024-07-31	£46,135,000	£45,413,000	£30,384,000	479
2023-07-31	£46,646,000	£47,076,000	£30,291,000	492
2022-07-31	£46,641,000	£45,519,000	£21,663,000	492
2021-07-31	£40,445,000	£39,955,000	£-1,229,000	503
2020-07-31	£35,490,000	£36,761,000	£-6,387,000	506

Trustees

Name	Role	Appointed
Jacqui Kedward	Chair	2025-12-01
Abigail Jayne Salini		2023-03-23
Alan Smith		2022-10-06
Angharad Lloyd Beynon		2025-02-19
Ben Francis		2023-03-23
Dr Michael Jeanne Childs		2025-02-19
Elwen Mair Evans		2025-12-03
Erica Cassin		2021-02-05
Estelle Vanessa Hitchon		2025-02-19
Mike Theodoulou		2023-03-23
Richard John Williams		2022-10-06
Sharron Lusher		2025-12-03
Sophie Wint		2025-02-19
Vanessa Ann Cashmore		2025-09-17

COLEG SIR GAR

England & Wales - Charity number 1152522

Accounts



colegsirgâr

COLEG SIR GÂR
(a company limited by guarantee)

ANNUAL REPORT

FOR THE YEAR ENDED 31ST JULY 2025

Company registration no : 8539630

Charity registration no : 1152522

COLEG SIR GÂR

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COLEG SIR GÂR

PUBLIC BENEFIT STATEMENT

Coleg Sir Gâr is a registered charity (charity registration number: 1152522). The members of the Board of Directors, who are trustees of the charity, are disclosed in the Directors' Report on page 17.

In setting and reviewing the College's strategic objectives, the Board of Directors has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

Charitable Objectives

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

The College is well aware of its public benefit responsibility and, therefore, ensures that this is at the heart of all its operations and services.

Fulfilment of the charitable objectives

Beneficiaries

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

Coleg Sir Gâr is a college of further and higher education based in Carmarthenshire in South West Wales. The college has five campuses within the county: Llanelli (Graig campus); Ammanford; Llandeilo (Gelli Aur campus); and Carmarthen (Pibwrlwyd and Job's Well campuses). Currently the College has approximately 9,000 students enrolled on a range of courses including A Levels, Vocational Awards, Certificates and Diplomas, Higher National Certificates, Foundation Degrees and Degree programmes.

To deliver these courses, the College employs circa 600 teaching and support staff. The courses, students and staff are all located within one of 8 curriculum areas. The success of the College's students highlights the benefits of the range of effective partnerships maintained by the College.

The excellence of the College's partnership with the Carmarthenshire 14-19 Learning Network has been recognised with the achievement of a UK Beacon Award. The College's partnerships with industry are of significant importance and relationships with the construction industry have been recognised by an all Wales and UK Regional National Training Award.

In addition to the College based provision, the College is also a significant work based learning provider with an extensive range of Traineeship and Apprenticeship programmes in a wide range of industrial sectors. The College has invested heavily over the last decade to provide students with the best possible learning environment. This has allowed the College's students to access excellent facilities and resources. The College also prides itself on being a caring and safe college, at all times putting the interests of the students first.

Admissions policy

The College operates a flexible and inclusive admissions policy, and provides for differentiation and individual needs in the design of its learning programmes. Some programmes have specific entry requirements which are reviewed annually and published in the College prospectus.

COLEG SIR GÂR

PUBLIC BENEFIT STATEMENT (continued)

Student Support/Bursaries/Scholarships

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

Further education students between the ages of 16 and 19 can apply for the Education Maintenance Allowance, and students who are aged 19 or older can apply for a Welsh Assembly Learning Grant. Other bursaries are also available within the College for higher education students subject to eligibility.

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

Widening Participation

The College has a comprehensive and broad range of academic and vocational education and training programmes. These range from pre-entry to graduate level, providing a service to the whole learning community. It offers further education, adult and community learning, higher education and work-based learning. It also provides for large numbers of 14-16 school pupils who attend the College or are taught by College staff at their schools. The College delivers across five campuses, at various community locations, in the workplace and online.

Community Engagement

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

By order of the Board



Signature

Date: 11th Dec 2025

Mr John Edge
Director

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COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2025

The directors present their strategic report for the year ended 31 July 2025.

Background

In 1992, Parliament passed the Further and Higher Education Act as a result of which all former institutions of further education (where the total full-time, block release and part-time day release student enrolments in the 1990 FESR amounted to at least 15 per cent of the College's student load) and all existing sixth form institutions were incorporated into a new sector. The College was incorporated on 30 September 1992, although the Corporation did not become an independent Institution until 1 April 1993 (vesting day).

On 1 August 2013 the Coleg Sir Gâr Further Education Corporation (Dissolution) Order 2013 came into force. This order dissolved the further education corporation previously established and transferred all of its properties, rights and liabilities to the new Coleg Sir Gâr Company. The Coleg Sir Gâr (Designated Institutions in Further Education) Order 2013 came into force on the same day establishing a new College conducted by a registered company, limited by guarantee. This new Coleg Sir Gâr company is a wholly owned subsidiary of University of Wales: Trinity Saint David.

On the 1 August 2017, Coleg Ceredigion became a wholly owned subsidiary of Coleg Sir Gâr, having formerly been a direct subsidiary of the ultimate parent company University of Wales: Trinity Saint David.

Principal activities

Coleg Sir Gâr is a large, multi-site, Further Education College based in South West Wales and has five main campuses at Llanelli (Graig), Carmarthen (Pibwrlwyd and Jobs Well), Ammanford and Llandeilo (Gelli Aur). It has approximately 9,000 learners of which some 2,500 are full time and over 6,000 are part time. There are approximately 600 higher education learners. The College has a comprehensive and broad range of academic and vocational education and training programmes that range from pre-entry to graduate level, providing a service to the whole learning community. The principal activities of the College are further education, higher education, work-based learning, 14-19 school provision, professional training, consultancy and the delivery of Government initiatives to industry. The College also offers its provision online, via partnerships at community locations and in the workplace.

Campuses vary in size and nature and offer a variety of subjects. The College has an annual turnover of around £52 m and employs circa 640 staff. Of these, 313 are directly involved in teaching and 327 in support and administrative functions

The County

Carmarthenshire is a predominantly rural county with a chain of market towns providing the focus of activity. Carmarthen is the county town with a strong retail sector and relatively large local government, health and administration population.

The south east of the county has historically been associated with heavy industry and is the most densely populated part of the county, with Llanelli being the largest settlement. Whilst some large key employers remain in this part of the county, the economy has sought to diversify into light engineering and new technology industries.

The Index of Deprivation shows that there are concentrated areas of educational deprivation, employment deprivation and, consequently, multiple deprivation in South West Wales. Carmarthenshire has proportionally higher levels of inactive individuals in comparison to Wales and the UK.

COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2025

Purpose



Strategic Vision

VISION

We will:

- put the needs of the learner first;
- be safe, inclusive and caring;
- live by our values and behaviours;
- provide the best learner experience, enhanced by digital technology;
- facilitate personal development and progression for learners;
- encourage curiosity and creativity in teaching and learning;
- develop a flexible, employer informed, curriculum;
- champion the Welsh language and culture;
- implement an ambitious workforce development programme;
- develop partnerships that impact positively on learners and business performance;
- improve our financial resilience and efficiency;
- support regeneration and prosperity in our communities; and
- create a sustainable environment for learners to be successful

Values and Behaviours

RESPECT

We will be:

- accepting of difference and provide opportunity for everyone to thrive;
- empathetic to each others' needs;
- courteous and kind to each other;
- supportive and care for each other;
- ready and willing to engage positively.

UNITY

We will be:

- one team with a set of common goals and unified direction;
- mindful of our behaviour and language, and its impact on others;
- bilingual in our communication and engagement;
- integrated with our community and partners;
- transparent in all aspects of our work.

PROFESSIONALISM

We will be:

- honest and act with integrity;
- driven to provide outstanding education and customer service;
- open to receiving different views that inform our decision making;
- a learning organisation with a curious nature;
- sustainable in our planning and delivery.

Strategic Priorities



COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2025

Financial Performance and Objectives

The College's financial objectives are:

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

The Statement of Comprehensive Income for the period is set out on page 34. The highlights for the period in relation to these are detailed below.

- Total income for the period has remained relatively stable at circa £52m (2024: £46m). Maintaining a significant level of turnover reflects the continued success of the College at delivering education. Fluctuations in turnover are inevitable, and can be greatly influenced by the level of project work undertaken.
- Staff costs (excluding exceptional costs) as a percentage of total income have remained relatively stable at 53.0 % (2024: 54 %). The average number of staff employed remained relatively constant. Other operating expenses increased as a percentage of total income from 40% to 43%, primarily driven by high inflationary pressures.
- The deficit for the year was £ 410,000 (2024: £710,000 surplus), post FRS 102 non cash adjustments of a positive £ 230,000 (2024 : £ 619,000 positive) . The operating deficit (pre FRS 102 non cash adjustments) was £ 180,000 (2024 : £ 91,000 surplus).
- The liquidity position remains satisfactory, with the ratio of short-term assets to creditors falling due within one year standing at 2.9 (2024: 2.6).
- Net assets have reduced slightly from £ 30.4 million to a £ 30.1 million. Net assets, excluding defined benefit obligations have increased from £30.4 million to £30.6 million as the asset ceiling was applied to the pension reducing the unfunded liability amount only - £0.5 m. For further details on the accounting standards under which these financial statements are prepared, see the Statement of Principal Accounting Policies and Estimation Techniques on page 38.
- Specific capital grants were applied in line with the College's Strategic Plan towards enhancing effectiveness and providing a quality learning environment.
- The provision for enhanced pensions was reviewed during the period and the balance required at 31 July 2025 has been estimated at £477,000 (2024: £530,000).

Treasury policies and objectives

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

The College has a separate treasury management policy in place.

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

COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2025

Cash flows, liquidity and reserves policy

The college operating cashflow position for the year is a negative amount of £ 1.5 m. Overall cash balances decreased by £ 1.27 m (from £15.1 m to £13.9 m). This was in the main driven by a delay in receiving grant funding for capital investment costs. The College wishes to continue to accumulate cash balances to fund future planned capital developments. To achieve this, the College has continued its drive for efficiency in the education and training it delivers. This has been, and will be, achieved by thoroughly reviewing its curriculum provision, effective deployment of resources, and best value procurement of goods and services. In addition, the College continues to seek and develop other sources of income. Significant re-investment into the College estate and plant and equipment ensures that learners have quality provision to aid in their educational process. The college aims to hold a minimum of 2 months expenditure (circa £ 8 m) in cash reserves at all times.

Curriculum Development and Enrichment

There is a wide-ranging curriculum that meets learners' aspirations. The curriculum is broad, flexible, coherent, and facilitates progression. It is offered in a variety of modes to suit learners' needs. There is a strong vocational focus and all Welsh Government's Sector Subject Areas are represented at the College.

The curriculum is formulated and reviewed in partnership with the College's stakeholders, the Regional Learning and Skills Partnership (RLSP), sector representative bodies, Coleg Cymraeg Cenedlaethol, 14-19 networks, ACL colleagues, University of Wales: Trinity Saint David, industry, business and local employers. This is supplemented using skills observatory data provided through the RLSP.

The College Curriculum and Quality team report to the Board's Committee for Learners and Standards. This provides a focus for discussion on curriculum and quality policy and development matters.

A range of options are available at all levels which offer diversity and choice to learners. The County's Youth Access programme also provides a partial full-time alternative curriculum for learners at the College who have had challenges in local schools. Almost the entire curriculum offered by the College is accredited, providing opportunities for learners to attain formal qualifications.

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

Partnership and Transformation

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

- From 1 August 2013, the College became part of the University of Wales: Trinity Saint David Group, maximising opportunities for learners and sharing information, expertise and resources. In a similar vein, Coleg Ceredigion became a subsidiary of Coleg Sir Gâr on the 1st August 2017.
- Through partnerships within the education authority and with local partner schools (over 16 schools), the breadth and volume of vocational opportunities for 14-19 school pupils is significant.
- Education and employer links are excellent and include the College's longstanding collaboration with CYFLE.
- The college works extensively in delivering provision collaboratively with TLC - the training and learning company.

COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2025

- The college is working closely with a range of employers, eg, Dŵr Cymru, Owens Group, Thermal Earth, COTS, TRJ, Prince's Gate, CM-Days, Ron Skinner & Son, Castell Howell, the AA, Serco, Remploy, Hywel Dda, e- Careers, 4DAcademy etc.
- The College has made a significant contribution to the South West Wales Regional Learning and Skills Partnership and to the Public Service Board.
- Very good partnerships exist with Pembrokeshire College, other FE colleges and a number of other private training providers in the delivery of Work Based Learning (WBL) through the B-WBL Consortium.
- Long standing relationships are continuing with Carmarthenshire County Council in the delivery of Adult and Community Learning.
- Close working relationships exist with the LEA Youth Service and local schools to offer support and courses to learners who are at risk of becoming NEET (Not in Employment, Education or Training).
- Excellent partnership working has been achieved with the Scarlets, National Botanical Gardens Wales and Aberglasney Gardens, some of which act as centres for delivery.
- The College is well represented by members of the executive and College management team on a range of national networks; Regional Learning and Skills Partnership; Adult and Community Learning; 14-19 Networks; Colegau Cymru and Welsh Government.
- Excellent sporting academies in rugby, football and netball provide opportunities for learners at elite levels. These opportunities have resulted from working partnerships with the Welsh Rugby Union; Scarlets; FAW; the Welsh Netball Association, etc.

Quality and Standards

Note that the next section of the report that deals with quality performance, measures and statistics that reflect the combined data for both Coleg Sir Gâr and its subsidiary company Coleg Ceredigion. Coleg Sir Gâr is by far the largest proportion in terms of weighting, with a turnover of circa £ 52 m against £ 7 m for Coleg Ceredigion (8,500 students vs circa 1,300 students respectively).

The College welcomed Estyn in May 2022 who undertook an inspection of its further education provision. The inspection framework covered 5 key areas: Learning; Well-being & Attitudes to Learning; Teaching & Learning Experiences; Care, Support & Guidance; and Leadership & Management. Whilst graded outcomes are no longer provided by Estyn, the overall outcome for the College was very positive. Good features identified within the report include:

- *"Most learners feel safe and well supported during their time at the college".*
- *"The college has successfully embedded a positive ethos based on the values of respect, unity and professionalism".*
- *"Most learners speak positively about their experiences at the college".*
- *"Most learners develop competent practical skills and many relate theory to practice successfully".*
- *"The college has systems in place to support learners in their understanding of how to keep safe and safeguarding".*
- *"Nearly all teachers know their learners well and foster relationships that encourage and support learners to progress".*
- *"Most teachers skilfully develop learners' digital skills in their vocational or academic subjects".*
- *"Learners demonstrate high levels of competency using digital platforms to store, record, organise and track their own learning".*

COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2025

- “Where appropriate teachers support learners’ Welsh language skills by engaging them in conversation during classes”.
- “The College has developed strong partnerships with local schools for 14-16 provision”.
- “Across nearly all courses, learners benefit from clear progression routes to the next level or into work-based learning, higher education or employment”.
- “The principal has set a vision that informs the college’s strategic priorities well”.
- “Senior and middle managers show a clear understanding regarding how they support the college’s aim to deliver “inspirational learning experiences”.
- “During the pandemic, a particular strength of the college was its commitment to upskilling teaching and support staff to enable them to effectively support learners to develop strong digital skills and remain on their courses”.
- “The college senior management team has been effective in improving the learning experiences and outcomes at an underperforming campus. They reacted quickly and put in place robust quality improvement procedures”.
- “The college has comprehensive quality assurance systems and collects a wide range of data”.

Recommendations for continuous improvement include:

1. Make better use of the extensive data the college has to further refine the evaluation of the impact of provision and initiatives.
2. Strengthen strategies to improve learners’ understanding of radicalisation and extremism.
3. Ensure that learners’ numeracy skills and wider mathematical skills are developed fully to address their skills gaps.

Estyn Report May 2022

<https://www.estyn.gov.wales/provider/f0009005>

All actions have since been addressed and completed.

Standards achieved by learners

Further Education

Successful Completion: Vocational Programmes (FT FE)				
	2022/23		2023/24	
Level	CSG	National	CSG	National
Level 3	76%	79%	76%	81%
Level 3 (Access to HE)	62%	68%	65%	71%
Level 2	71%	76%	76%	77%
Level 1	77%	77%	75%	80%
Entry/Pre-Entry	78%	80%	86%	83%

*2024/25 outcomes are pending finalisation and validation by the Welsh Government.

In 2023/24, successful completion outcomes for full-time FE vocational programmes show improvement in some areas, though performance remains below national benchmarks in others. Entry and Pre-Entry provision continues to be a strength, achieving outcomes above the national comparator, while Level 2 improved to 76%, just below the national rate. At Level 3, outcomes remain consistent at 76% compared with 81% nationally, and Level 1 declined slightly to 75% against the 80% benchmark. Access to HE also showed improved outcomes but remains below national averages. Improving outcomes in Level 3 and Level 1 are key priorities in 2024/25, with early indications suggesting improvement is expected.

COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2025

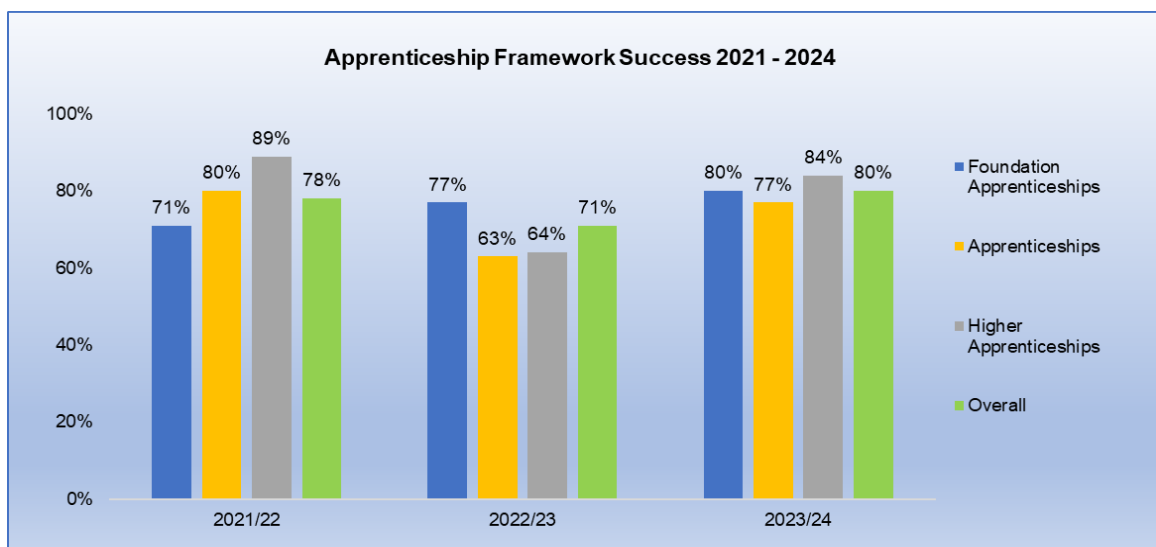
A Level 2024/25					
A*		A* - A		A* - E	
College	National	College	National	College	National
14%	10%	32%	30%	99%	98%
A Level 2023/24					
College	National	College	National	College	National
6.0%	6.6%	25.0%	24.6%	92.0%	89.3%

In 2024/25, A Level performance at the College exceeded national comparators across all grade boundaries. The proportion of A* grades rose significantly to 14%, compared with 10% nationally and an increase from 6% in 2023/24. Higher grades (A*-A) also improved to 32%, slightly above the national comparator of 30% and an increase from 25% in the previous year. Overall pass rates (A*-E) remained very strong at 99%, exceeding the national benchmark of 98% and improving on 92% in 2023/24. These results highlight sustained improvement and position the College's A Level provision above national benchmarks.

AS Level 2024/25			
A		A - E	
College	National	College	National
19.4%	23%	96%	90%
AS Level 2023/24			
College	National	College	National
21.0%	19.8%	92.0%	89.3%

In 2024/25, AS Level performance at the College presents a mixed picture when compared with national benchmarks. The proportion of A grades decreased slightly to 19.4%, below the national figure of 23% and down from 21% in 2023/24. However, overall pass rates (A-E) improved to 96%, six points above the national benchmark of 90%, and a notable increase on 92% in the previous year. Overall, these outcomes reflect excellent achievement, with improved outcomes of higher grades identified as a focus for further development.

Work-Based Learning

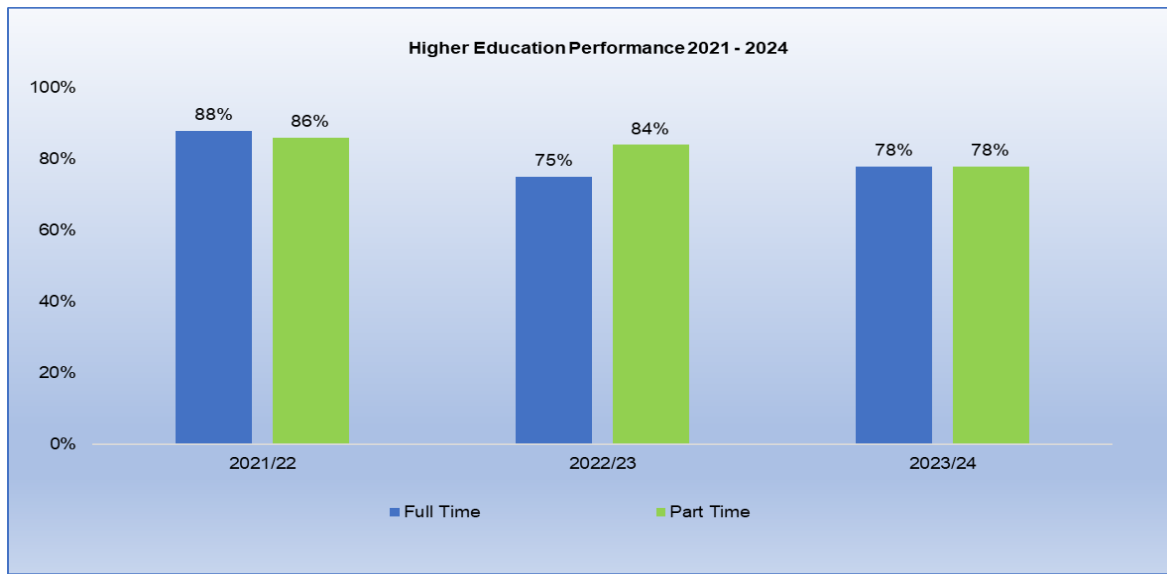


*2024/25 outcomes are pending finalisation and validation by the Welsh Government.

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2025

In 2023/24, overall apprenticeship success improved significantly to 80%, from the decline experienced in 2022/23. Success in Foundation Apprenticeships continue to rise, reaching 80%, while Apprenticeships recovered to 77% after the significant decline in 2022/23. Higher Apprenticeships show the most marked improvement, increasing to 84% from 64% in 2022/23. These outcomes demonstrate an upward trend across all levels, reflecting the impact of targeted improvement strategies.

Higher Education



**2024/25 outcomes are pending finalisation.*

Over the past three years, HE performance at the college has shown a downward trend, with both full-time and part-time cohorts experiencing declines. Full-time student performance fell sharply from 88% in 2021/22 to 75% in 2022/23, before showing a modest recovery to 78% in 2023/24. Part-time outcomes were initially more stable, falling slightly from 86% to 84%, and further, more significantly to 78% in 2023/24. These trends have prompted targeted interventions, and the improvement among full-time learners suggests these actions are beginning to have a positive impact. Early indications show further progress in 2024/25, with outcomes improving across both full-time and part-time cohorts.

Teaching and Learning

The College is committed to achieving the best for its learners. It understands that every learner learns in their own unique way, and is dedicated to providing engaging, innovative, and well-supported learning experiences to help each learner thrive and succeed. The College's Teaching and Learning Strategy is designed to empower staff to provide each and every learner with the opportunity to succeed. In an ever-changing world, it is essential to build resilience in both staff and learners to ensure they are equipped to face future challenges.

The College's approach to teaching and learning, and the learner experience is underpinned by its commitment to all:

- staff being empowered to underpin their pedagogy choices through action research informed processes.
- teaching and learning environments to be digitally enabled and innovative.
- staff being supported to access industry upskilling to nurture and enhance their dual professionalism.
- staff trained and supported to create inclusive and empowering environments based on a culture of coaching.

COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2025

The College provides bespoke and tailored support for all learners and staff. The significant emphasis on training, motivating and supporting staff was recognised in 2017 when Coleg Sir Gâr was awarded the Association of Colleges Beacon Award for excellence in staff development; in 2019 when it received a Princess Royal Training Award and more recently in 2022 when it again received a Princess Royal Training Award.

Staff actively engage with, and benefit from the College's strong commitment to continuous professional development, reflected in learner outcomes and learner survey results. Central to this process is each teacher's self-assessment of their performance against key criteria, which helps

create a personalised teaching profile identifying specific areas for development. After a period of implementation, the self-assessment process is repeated to enable ongoing tailored support and improvement.

The College's Teaching and Learning Team provides excellent support and tailored training to new members of staff, PGCE students and those teaching staff who need support with aspects of their work. Excellence in teaching is highly valued and celebrated through an annual teaching and learning award ceremony.

Health and Wellbeing of Learners

The College is dedicated to fostering a healthy environment that enhances the wellbeing of both learners and staff. In response to increasing needs, it has elevated the focus on wellbeing and mental health. Induction, tutorial, and promotional activities have successfully enhanced learners' understanding of wellbeing, reflecting the College's priority on ensuring their safety, including online safety.

The College provides excellent specialist support for personal wellbeing and mental health. A new referral and assessment procedure has been introduced, focusing on ensuring that learners receive the appropriate support at the right time. Learners who face considerable barriers to learning are referred to mentoring and counselling services. Learner feedback is positive, with the wellbeing team's support playing a crucial role in helping students stay in education and succeed, despite often facing significant personal challenges.

A strong emphasis on equality and diversity ensures that all learners and staff are treated with respect. Awareness has been effectively raised among both groups through a variety of media and activities that are prominently showcased across the campuses.

Effective measures are in place to safeguard children and vulnerable adults, supported by clear policies and procedures. The College's "be safe" message emphasises the rights of all learners to be free from bullying and harassment, with definitive actions taken to prevent such behaviour. Online safety is also well-supported through dedicated promotions and tutorial activities.

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2025

Learner Voice (Further Education)

Learner Voice Survey (Teaching & Learning) 2024/25	AS & A Level	Vocational
Response Rate	80%	76%
Question	Satisfaction Rate	Satisfaction Rate
I feel that my lessons are well planned.	99%	93%
I feel challenged and stretched in my lessons and I have opportunities to improve and learn.	98%	93%
I feel that my lessons have a variety of tasks that keep me interested.	91%	88%
My lessons start with an activity to get me thinking and ends with an activity to reflect on what I have learnt.	81%	76%
My tutor takes a good account of my individual learning needs when planning and delivering my lessons.	94%	92%
Difficult tasks are broken down into smaller steps.	92%	89%
Technology is used well in my lessons which helps me to learn.	93%	95%
Teachers ask questions to encourage me to take part in lessons.	97%	93%
When needed, poor behaviour is challenged respectfully and positively in class.	98%	91%
I am given opportunities to use teacher feedback and self-evaluation activities in order to help me improve my work.	96%	94%
I am given opportunities to work with my fellow learners and to give one another feedback on our work.	93%	95%
I know that if my attendance drops below the college expected level, I will be offered support and guidance to ensure I can improve my attendance in lessons.	93%	93%
I am regularly encouraged to set targets and review my progress.	93%	92%
I receive regular and focussed feedback to help me improve my work.	94%	91%
I receive marked work promptly and I know where to look for my feedback and grades.	96%	92%
My teachers have high expectations of me and I feel supported and challenged to always try my best.	98%	95%
I enjoy learning and feel inspired to succeed.	95%	92%

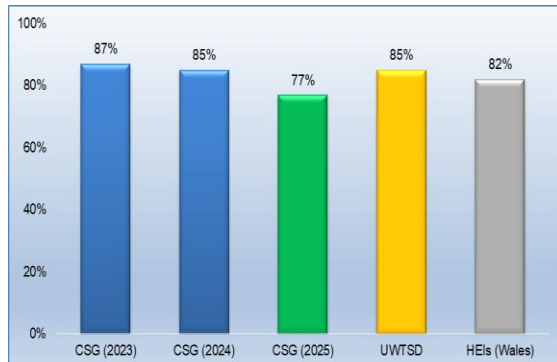
The 2024/25 annual further education (FT) learner voice survey continues to demonstrate high learner satisfaction across both AS & A Level and Vocational courses. Learners report that lessons are well-planned, challenging, and engaging, with effective use of technology, opportunities for collaboration, and strong, timely feedback. Teachers are seen to support individual learning needs, maintain high expectations, and inspire learners to succeed, creating a positive and motivating learning environment.

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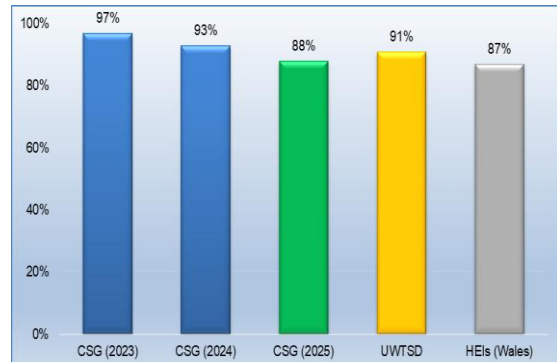
STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2025

Learner Voice (Higher Education)

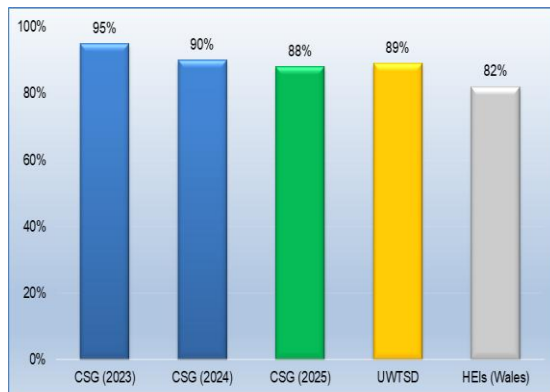
Overall Satisfaction



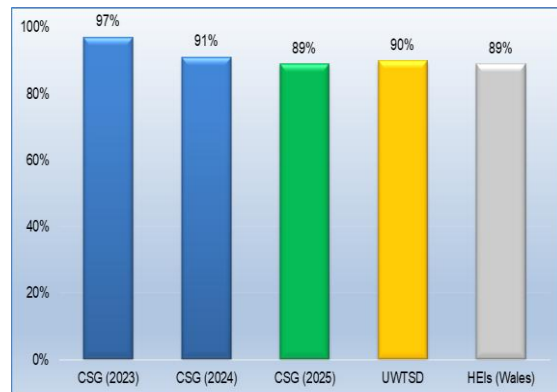
Teaching



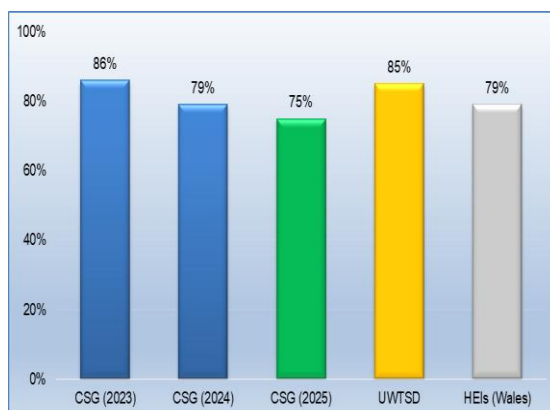
Assessment & Feedback



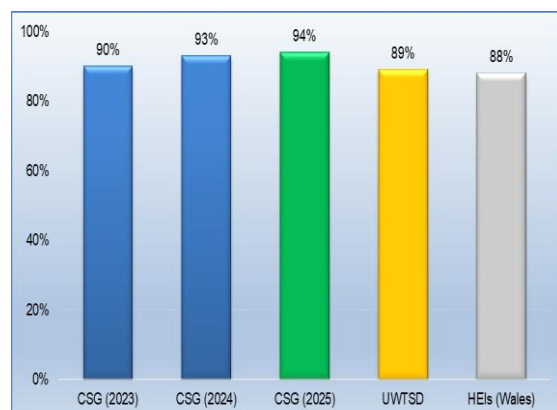
Academic Support



Organisation & Management



Learning Resources



Higher Education students in their final year of study have continued to respond well to the National Student Survey, and excellent student satisfaction scores have historically been achieved in teaching, learning and overall experiences in college. However, the 2025 National Student Survey results highlight a downward trend in overall student satisfaction at CSG, falling from 87% in 2023 and 85% in 2024 to 77%, placing the College below both UWTSD (85%) and the Welsh HEI averages (82%). Declines are evident across teaching, assessment and feedback, academic support, organisation and management, and learning opportunities, where CSG now performs at or below sector averages. However, learning resources remain a clear strength, with satisfaction rising consistently to 94% in 2025, exceeding both UWTSD and the Welsh HEIs average. Whilst the College continues to achieve satisfaction scores broadly aligned with sector averages, targeted action is required to address the overall decline and restore previous levels of student satisfaction in higher education.

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STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2025

Capital Investment and Accommodation

Although there were no major building projects or acquisitions during the year, there has been a significant amount capital investment in relation to buildings maintenance, plant, equipment and IT expedited at the college during 2024/25.

The Future

The College sees a strong future for itself as part of the merged University of Wales: Trinity Saint David ("UWTSD") group and has made a commitment to continuing to offer a strong further education provision across the county.

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

- Improving learner outcomes
- Developing the college as a centre of excellence for teaching and learning
- Meeting the challenges of 'Digital 2030'
- Meeting the requirements of the ALN Bill
- The development of the Welsh Baccalaureate Qualification at Level 3
- Developing more Welsh medium provision
- Maintaining a diversified curriculum portfolio across a range of sectors
- Developing more commercial training
- Developing strategies to cope with pressures in public funding
- Improving, rationalising and developing its estate in partnership with UWTSD and the County Council
- Driving the sustainability agenda on a limited budget

Principal Risks and Uncertainties

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

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

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

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

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

1. Reduction in real terms of government funding

The College relies on government funding, and the current climate is such that there are continuous pressures on this income stream.

This risk is mitigated in a number of ways:

- Concerted effort, drive and focus on creating a more diversified income base;
- Specific focus on quality to ensure a high standard of delivery in all education and training endeavours;

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STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2025

- Maintaining the intake of higher education students. The College already offers a significant higher education provision;
- Working closely with the UWTSD group and Coleg Ceredigion to harmonise operations and remove duplication with a view to reducing costs;
- The operation of a Business Development Unit which has a primary objective of building a sustainable commercial income stream that is not reliant on government funding;
- Focusing on priority sectors which are likely to continue to attract public funds;
- Growing and developing the College's work-based learning provision; and
- Building partnerships with schools and business.

2. Failure to recruit and retain students

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

The risk is mitigated as follows:

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

3. General Economic Conditions: Increasing costs and pay pressure

The college is actively addressing operations to ensure the smooth continuity of operations as well as working closely with Welsh Government during these continued challenging times.

Key Performance Indicators

The College is pleased to confirm that the target of breakeven before defined benefit obligation costs has been achieved with an actual outturn before non-cash defined benefit obligation costs of £180,000 surplus (24/25: £92,000 surplus). The surplus for the year after defined benefit obligation costs is £ 873,000 (surplus of £710,000 in 24/25), with non-cash adjustments being an unusual positive benefit of £693,000 (24/25: £618,000 positive adjustment).

Student numbers remained relatively buoyant for the year, with total FE full time numbers remaining higher than in prior years.

The College continues to achieve high standards of quality for its teaching and learning function, and received a good Estyn report in at the last inspection (see Strategic Report). Similarly, National Student Survey reports normally indicate a high level of student satisfaction.

This report was approved by the board on the 11th December 2025 and was signed on behalf of the board by:

Signature



Date: 11th December 2025.....

Mr John Edge

Director

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2025

The directors present their report and the audited financial statements of the Company for the year ended 31st July 2025.

Results and future developments

The results for the year, strategy and future developments of the Company are set out in the Strategic Report on pages 4 to 16.

Dividends

The Company is limited by guarantee. No dividends have been paid or are recommended for the year ended 31st July 2025.

Professional advisers

External auditor:	KPMG LLP, Cardiff
Internal auditor :	Mazars LLP, Bristol
Banker:	Barclays Bank Plc, Llanelli
Solicitor:	Eversheds, Hepworth & Chadwick, Cardiff

Directors

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

<u>Directors</u>	<u>% attendance at meetings</u>
Mr John Edge *# (Chair) (resigned October 25)	80 %
Mrs Abigail Salini *# (Vice-Chair)	60 %
Mr Huw Davies *# (resigned 31/07/2025)	40 %
Mrs Jacqui Kedward *# (appointed Chair October 25)	100 %
Mr Alan Smith *#	100 %
Ms Erica Cassin *#	80 %
Mr Ben Francis *#	60 %
Mr Mike Theodoulou *#	100 %
Mrs Tracy Senchal *# (resigned 20/01/2025)	50 %
Mr John Williams *#	100 %
Mr Louis Dare *#	60 %
Mrs Sharon Lusher *# (appointed 17/10/2024)	60 %
Mr Rhys Taylor *# (appointed 17/10/2024)	80 %
Mrs Angharad Lloyd Bevan *# (appointed 12/12/2024)	100 %
Ms Sophie Wint *# (appointed 12/12/2024)	100 %
Ms Estelle Hitchon *# (appointed 12/12/2024)	100 %
Mrs Jeanne Childs *# (appointed 12/12/2024)	100 %
Miss Hannah Freckleton *# (appointed 01/08/2024, resigned 31/07/2025)	100 %
Dr Andrew Cornish *# (Principal – resigned October 25)	100 %
Mrs Vanessa Cashmore (appointed Principal October 25)	-

(* non – executive directors)
(# Trustees)

COLEG SIR GÂR

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2025

(continued)

Directors' indemnities

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

Payment performance

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

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

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires Colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95 per cent. The College's performance in paying its suppliers during the year to 31 July 2025 was as follows:-

	2025	2025	2024	2024
	No	£000	No	£000
Total Invoices Received	8,031	25,860	7,454	25,852
Paid on time	6,654	23,656	5,809	23,123
% of total invoices received	83%	92%	78%	90%
Trade Creditors at 31 July - (Note 16)		2,065		2,168
Trade creditor days		29 days		31 days

The College incurred no interest charges under The Late Payment of Commercial Debts (Interest) Act 1998. Moving forward, to improve invoice timeliness, the Finance Department will begin closely tracking the college's payment performance and addressing any issues that arise

Estate developments

The College regularly invests in the maintenance of the estate with planned annual programmes of maintenance carried out during the summer months. Annual budgets include an allocation for such works. In 24/25, the college saw completion of the "Arches" building, a state-of-the-art facility to showcase and teach net carbon zero and general sustainability courses – lead by our Green Skills Academy team. The fully funded facility cost just over £600,000. Work also commenced on a new slurry storage facility on our working farm at Gelli Aur (estimated at circa £ 250,000).

The college is also working with Welsh Government on a major project to redevelop our site at Pibwrlwyd. We are in an early part of the process, but firmly on our way to secure funding via the "Mutual Investment Model" initiative. Updates will be provided as we progress.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2025 (continued)

Equal opportunities

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

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

Stakeholder relationships

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

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

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

Staff and student involvement

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

Statement of directors' responsibilities

The Directors are required to present audited financial statements for each financial year under company law. The Directors are responsible for preparing the Strategic Report, the Directors' Report, Public Benefit Statement and Statement of Corporate Governance and Internal Control and the financial statements in accordance with applicable law and regulations.

Within the terms and conditions of the Financial Memorandum between the Welsh Government and the further education institutions, the Directors are required to prepare financial statements and an operating and financial review for each financial year in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education, the Accounts Direction for Further Education Colleges in Wales and the UK's Generally Accepted Accounting Principles including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 College and its profit or loss for that period.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2025 (continued)

The regulation of the Welsh Further Education sector was transferred from the Welsh Government to Medr, the Commission for Tertiary Education and Research on 1 August 2024. The Audit Code of Practice, Accounts Direction for Further Education Colleges in Wales 2024/25 issued by Welsh Government ("2024/25 Accounts Direction") and Financial Memorandum Management Code issued by the Welsh Government remain in place until superseded by subsequent Medr publications.

In view of this transfer, any reference to the Welsh Government in our report should be read as also referring to Medr.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the College's ability to continue as a going concern, noting the key supporting assumptions or mitigating actions, as appropriate (which must be consistent with other disclosures in the accounts); and
- use the going concern basis of accounting unless they intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

The Directors are also required to prepare a Members' Report which describes what it is trying to do and how it is going about it, including information about the legal and administrative status of the College.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the College's transactions and which disclose, with reasonable accuracy at any time, the financial position of the College and which enable them to ensure that the financial statements are prepared in accordance with relevant legislation including the Companies Act 2006, the Further and Higher Education Act 1992 and Charities Act 2011, and relevant accounting standards. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. They are responsible for taking steps that are reasonably open to them to safeguard the College's assets and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of its website(s); the work carried out by auditors does not involve consideration of these matters and, accordingly, auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors are responsible for ensuring that expenditure and income are applied for the purposes intended by the Welsh Government and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from the Welsh Government, and any other public funds, are used only in accordance with the Financial Memorandum with the Welsh Government and any other conditions that may be prescribed from time to time by the Welsh Government or any other public funder. The Directors must ensure that there are appropriate financial and management controls in place to safeguard public and other funds and ensure they are used properly. In addition, Directors are responsible for securing economical, efficient, and effective management of the College's resources and expenditure so that the benefits that should be derived from the application of public funds from the Welsh Government and other public bodies are not put at risk.

COLEG SIR GÂR

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2025 (continued)

Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 1st August 2024 to 31st of July 2025 (and prior year) :

	<u>Current year</u>	<u>Prior year</u>
Energy consumption to calculate emissions (kwh)	4,448,891	4,435,025
<u>Scope 1 emissions in metric tonnes Co2e</u>		
Gas	592	595
Owned transport	44	43
<u>Total scope 1</u>	<u>636</u>	<u>638</u>
<u>Scope 2 emissions in metric tonnes Co2e</u>		
Electricity	271	310
<u>Scope 3 emissions metric tonnes Co2e</u>		
Business travel employee owned vehicles	54	58
<u>Total Gross emissions in tonnes Co2 e</u>	<u>961</u>	<u>1,005</u>
<u>Intensity ratio tonnes Co2e per student</u>	<u>0.102</u>	<u>0.141</u>

Qualification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting guidelines. We have also used the GHG Reporting Protocol - Corporate Standard and have used the 2025 UK Government's conversion factors for Company Reporting

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes Co2e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

Smart meters are installed across all sites. Solar panels have been installed on 3 of our largest campuses which significantly reduces purchased electricity. Energy saving lightbulbs (LEDs) are installed wherever possible and staff travel is reduced due to a focus on conducting meetings virtually using software such as Teams or Google meet. The college has invested heavily in bicycle storage facilities and operates a Cycle to Work Scheme to encourage this cleaner and healthier means of travel to college. EV (Electric Vehicle) charging points are also installed at all our campuses.

Directors statement of compliance with duty to promote the success of the College

Engaging with our stakeholders (section 172 (1) statement)

The Board of Directors have a duty to promote the success of the Group for the benefit of its members as a whole having regards to the interests of our stakeholders (no shareholders as the company is limited by guarantee) , our students, Welsh Government, our clients, our employees, our relationships with our suppliers and the impact of our operations on the communities in which we operate, and to ensure that we maintain a reputation for high standards of quality, care and business conduct.

Our key stakeholders are our students, Welsh Government, our clients, local businesses, our employees and the communities within which we operate. Our suppliers and regulators are also important stakeholder groups. All key Board decisions consider the impact on relevant stakeholders. Increasingly, stakeholders are looking to understand our performance across multiple areas from performance to services, community engagement, innovation, governance,

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2025 (continued)

workplace practices and corporate citizenship. The Board endeavours to gain an understanding of the perceptions and attitudes of each stakeholder group and the weight they give to different issues. Where the views of different stakeholder groups do not align, the Board must decide on the best course of action to promote the company's long-term success.

Our students

Our students are at the heart of our business and operations. We aim to deliver the best possible standards of education and training as well as a safe, exciting and modern environment to study within coupled with the best possible experience during their time at the college.

Employees

As a service organisation, our employees are key to our business. We want our employees to feel engaged and empowered to deliver great outcomes for our students and indeed all our stakeholders. Staff wellbeing is particularly important to the college and as such we have a college wellbeing manager in post to specifically address both the student and staff wellbeing agenda. There are significant support mechanisms within the college to deal with any concerns that staff may have, and there is regular opportunity for supported professional development open to all who wish to apply. The college works closely with all staff unions to ensure the needs and concerns of staff are addressed and prides itself on having a very strong, collaborative and mutually beneficial relationship in this regard. Staff members also have a representative on the Board of Directors.

Regulators

The college, being a Further Education Institution, works very closely with Welsh Government who are the principal funding body for the majority of the college grant income. Regular qualitative and financial reports are submitted regularly and success is dependent on an open, robust and reciprocal relationship.

The college as a company and charity, also reports via Companies House and the Charity commission.

Suppliers

A strong relationship with Suppliers is essential to ensure the continuity of our operations and thus our ability to service our stakeholders to the highest possible standards. This would include suppliers of product and services across our 5 campuses. We aim to treat our suppliers fairly and pay them within agreed timescales, if not sooner, and always conduct ourselves professionally and to the highest possible standards. We work closely with our suppliers to ensure that they have effective controls in place to protect our students (and stakeholders if applicable) 'health and safety' and the security and privacy of their data.

Communities and environment

We play an active role in the communities in which we operate and take care of the environment. We evaluate the business risks and opportunities associated with climate change, closely managing our environmental impact and actively promoting positive environmental practices.

Employee Involvement and Disabled Employees

The company continues to keep employees informed of matters affecting them and the financial and economic factors affecting the performance of the company. This is achieved through consultations/training sessions, a staff gateway which is continually updated, email, newsletters and social media. Applications for employment by disabled persons are given full and fair consideration.

COLEG SIR GÂR

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2025

(continued)

In the event of employees becoming disabled and being unable to continue within the existing role, every effort is made to retrain them in order that their employment with the college may continue. It

is the policy of the company that training, career development and promotion opportunities should be available to all employees at all times.

Political contributions

Neither the Company nor its subsidiary made any political donations or incurred any political expenditure during the period (2024 – donations £nil).

Other Information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on pages 4 – 16.

Statement of disclosure of information to Auditor

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

Independent auditor

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

Change of Regulator : From Welsh Government to MEDR

In August 2024, MEDR (the Commission for Tertiary Education and Research), a new arm's length body, took over responsibility for funding and overseeing tertiary education and research.

This report was approved by the Board on the 11th December 2025 and was signed on behalf of the Board by:



Mr John Edge
Director

Registered Address: Graig Campus, Sandy Road, Pwll, Llanelli. SA15 4DN

Date: 11th December 2025

COLEG SIR GÂR

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

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

In the opinion of the directors, the Company complies with all of the mandatory provisions of the code so far as they apply to the further education sector, and it has complied throughout the year ended 31 July 2025 and up to the date of this report.

The Board of Directors

The members of the Board of Directors are listed on page 17. It is the responsibility of the directors to bring independent judgement to issues of strategy, performance, resources and standards of conduct. The Company recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times.

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

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

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

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

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

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

Appointments to the Board of Directors

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

Search and Governance committee

Throughout the year ended 31 July 2025, the Institution's Search committee comprised four members of the Board of Directors. The committee's responsibilities are to make recommendations to the Board on the selection of directors and co-opted members, and on matters of governance.

COLEG SIR GÂR

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Remuneration Committee

Made up of three Directors, the committee determines the remuneration and conditions of employment of senior post holders, including the Principal. Details of remuneration for the year ended 31 July 2025 are set out in note 6 to the financial statements.

Audit and Risk Management committee

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

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

The Company's internal auditor monitors the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input, and report their findings to management and the Audit and Risk Management committee. The external auditor undertakes the annual Financial Statements audit and reports findings back to the committee. Both the internal and external auditors are key components of the audit & risk management process and are key areas of responsibility for the committee.

Management is responsible for the implementation of agreed audit recommendations, and internal audit undertake periodic follow-up reviews to ensure such recommendations have been implemented. The Audit and Risk Management committee also advises the Company on the appointment of internal and financial statement auditors, and their remuneration for both audit and non-audit work.

Board Member Activity

Members attended the following number of Audit & Risk Management Committee meetings.

Name	Max. Number of Meetings	Actual Attendance	Attendance (%)
Mrs Jacqui Kedward (Chair)	4	4	100%
Mr Ben Francis	4	4	100%
Mr Alan Smith	4	4	100%
Mr Mike Theodoulou	4	3	75%
Ms Rachel Williams	2	2	100%
Mr Stephen Davies	2	2	100%

Overall Audit & Risk Management Committee attendance for the year was 95.8%.

Resources and Business Development committee

The Resources and Business Development committee is comprised of eight members. The committee operated in accordance with written terms of reference approved by the Board. The committee meets on a termly basis to review all aspects of planning and resource utilisation in the Company. This would include budgeting, management and financial accounts, treasury and investments, human resources, and estates development and maintenance.

COLEG SIR GÂR

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Learner, Curriculum and Skills (and Standards) committee.

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

The committees meet on a termly basis to review all aspects of curriculum provision, delivery and performance in the Company.

Internal control

Scope of responsibility

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

The Board has delegated the day-to-day responsibility to the Principal for maintaining a sound system of internal control that supports the achievement of the Institution's policies, aims and objectives, whilst safeguarding the public funds and assets for which they are personally responsible, in accordance with the responsibilities assigned to them in the Financial Memorandum between Coleg Sir Gâr and MEDR / WG. The Principal is also responsible for reporting to the Board any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Institution policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Coleg Sir Gâr for the year ended 31 July 2025 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board reviewed the key risks to which the Institution is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the Institution's significant risks that has been in place for the year ending 31 July 2025 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board.

The risk and control framework

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

- Comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the Board;
- Regular reviews by the advisory committee and board of periodic and annual financial reports, which indicate the financial performance against forecasts;
- Setting targets to measure financial and other performance;

COLEG SIR GÂR

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

- Clearly defined capital investment control guidelines; and
- The adoption of formal project management disciplines, where appropriate.

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

Review of effectiveness

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

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

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

The senior management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The senior management team and the Audit and Risk Management committee also receive regular reports from internal audit, which include recommendations for improvement. The Audit and Risk Management committee's role in this area is confined to a high-level review of the arrangements for internal control. The Board's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit and Risk Management committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2025 meeting, the Board carried out the annual assessment for the year ended 31 July 2025 by considering documentation from the senior management team and internal audit, and taking account of events since 31 July 2025.

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

Going concern

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

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements. After reviewing these forecasts, the Directors are of the opinion that, taking account of severe but plausible downsides, including pay inflation and changes in funding arrangements, the College will have sufficient funds to meet its

COLEG SIR GÂR

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period). Consequently, the Directors have prepared the financial statements on a going concern basis.

Training and Development – Board of Directors and Heads of Governance

- Colegau Cymru online training on Cymraeg 2050, Risk Management, Anti-Racism and Work Based Learning
- All directors and the Clerk undertook online training in : Safeguarding; Prevent and GDPR.

External Review – Governance

An external review of Governance is undertaken at least once every 3 years. The last review was carried out by the Internal Audit Team – Mazars LLP - in March 2025.

By order of the Board



Mr John Edge

Director

Date: 11th December 2025

COLEG SIR GÂR

Statement on regularity, propriety and compliance

The Governing Body has considered its responsibility to notify the Welsh Government / MEDR of material irregularity, impropriety and non-compliance with the terms and conditions of funding, under the financial memorandum and contracts in place between the College and the Welsh Government / MEDR. As part of our consideration, we have had due regard to the requirements of the financial memorandum and contracts with the Welsh Government / MEDR.

We confirm on behalf of the Governing Body, that after due enquiry, and to the best of our knowledge, we are able to identify any material irregular or improper use of funds by the College, or material non-compliance with the terms and conditions of funding under the college's financial memorandum and contracts with the Welsh Government / MEDR.

We confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Welsh Government.

Statement of the accounting officer

As accounting officer of Coleg Sir Gâr, I confirm that the college has had due regard to the requirements of grant funding agreements and contracts with Medr, and has considered its responsibility to notify Medr of material irregularity, impropriety and non-compliance with terms and conditions of funding.

I confirm on behalf of the college that after due enquiry, and to the best of my knowledge, I am able to identify any material irregular or improper use of funds by the college, or material non-compliance with the terms and conditions of funding, under the college's grant funding agreements and contracts with Medr, or any other public funder.

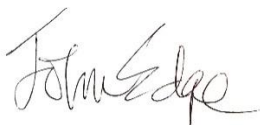
I confirm that no instances of material irregularity, impropriety or funding noncompliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to Medr.



Mrs Vanessa Cashmore
Principal / Accounting Officer
11th December 2025

Statement of the Board

On behalf of the college, I confirm that the accounting officer has discussed their statement of regularity, propriety and compliance with the board and that I am content that it is materially accurate.



Mr John Edge
Director
11th December 2025

COLEG SIR GÂR

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLEG SIR GÂR; REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Coleg Sir Gâr ("the College") for the year ended 31 July 2025 which comprise the Statement of Comprehensive Income, Statement of Changes in Reserves, Balance Sheet, Cash Flow Statement and related notes, including the including the Statement of Principal Accounting Policies and Estimation Techniques.

In our opinion the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2025 and of its surplus for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Going concern

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

In our evaluation of the Directors' conclusions, we considered the inherent risks to the College's business model and analysed how those risks might affect the College's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the College's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the College will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Directors, the Audit and Risk Management Committee, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board of Directors and Audit and Risk Management Committee meeting minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

COLEG SIR GÂR

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLEG SIR GÂR; REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk that management may be in a position to make inappropriate accounting entries. On this audit we did not identify a fraud risk related to revenue recognition due to the non-complex revenue recognition criteria, which limits the opportunity to fraudulently manipulate revenue.

We did not identify any additional fraud risks.

We also performed procedures including:

Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included posted to seldom used accounts.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Directors and other management (as required by auditing standards), and discussed with the Directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the College is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation and further education related legislation, including the Accounts Direction for Further Education Colleges in Wales issued by Medr), distributable profits legislation and pensions legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the College is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, and employment law recognising the nature of the College's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

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

COLEG SIR GÂR

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLEG SIR GÂR; REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the College, or returns adequate for our audit have not been received from branches not visited by us; or
- the College financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 17, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

The regulation of the Welsh Further Education sector was transferred from the Welsh Government to Medr, the Commission for Tertiary Education and Research on 1 August 2024. The Audit Code of Practice and Financial Memorandum issued by the Welsh Government remain in place at the date of our report. In view of this transfer, any reference to the Welsh Government in our report should be read as also referring to Medr.

In our opinion, in all material respects:

- monies expended out of Welsh Government grants and other funds from whatever source administered by the College for specific purposes have been properly applied to those purposes and, if appropriate, managed in compliance with all relevant legislation;

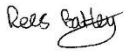
COLEG SIR GÂR

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLEG SIR GÂR; REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

- funding received from the Welsh Government (and other bodies and restricted funds where appropriate) has been applied in accordance with the Financial Memorandum between the Welsh Government and further education institutions; and
- the financial statements meet the requirements of the Accounts Direction for Further Education Colleges in Wales 2024/25 issued by Medr.

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

This report is made solely to the College's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and paragraph 56(b) of the College's Articles of Association. Our audit work has been undertaken so that we might state to the College's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the College's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Rees Batley (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
66 Queen Square
Bristol
BS1 4BE

15 December 2025

COLEG SIR GÂR

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2025

	Notes	2025 £000	2024 £000
Income			
Funding body grants	1	33,017	29,186
Tuition fees and education contracts	2	4,375	4,947
Other income	3	13,818	11,248
Investment income	4	670	754
Total income		51,880	46,135
Expenditure			
Staff costs	5	27,230	24,895
Fundamental restructuring costs	5	-	-
Other operating expenses	7	22,105	18,487
Depreciation	11	2,076	2,361
Interest and other finance costs	9	45	(330)
Total expenditure		51,456	45,413
Surplus/(Deficit) before other gains and losses		424	722
Gain/(Loss) on disposal of fixed assets		(26)	-
Gain/(Loss) on investments		12	(12)
Surplus/(Deficit) before tax		410	710
Taxation		-	-
Surplus/(Deficit) for the year		410	710
Actuarial gain/(loss) in respect of pension schemes	21	(711)	(618)
Total Comprehensive Income for the year		(301)	92
Represented by :			
Unrestricted comprehensive income		(301)	92
Restricted comprehensive income		0	0
		(301)	92

All amounts are derived from continuing operations.

The accompanying notes are an integral part of the Financial Statements

COLEG SIR GÂR

STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDING 31 JULY 2025

	Income and Expenditure account	Revaluation reserve	Endowments	Total
		£000	£000	£000
Balance at 31st July 2023	22,504	7,765	22	30,291
Surplus/(Deficit) from the income & expenditure account	710	-	1	711
Other comprehensive income	(618)	-	-	(618)
Transfers between revaluation and income & expenditure reserves	192	(192)	-	-
Actuarial gain/(loss) in respect of the pension scheme	-			-
Movement	284	(192)	1	93
Balance at 31st July 2024	22,788	7,573	23	30,384
Surplus/(Deficit) from the income & expenditure account	410	-	-	410
Other comprehensive income	(711)	-	-	(711)
Transfers between revaluation and income & expenditure reserves	192	(192)	-	-
Movement	(109)	(192)	-	(301)
Balance at 31st July 2025	22,679	7,381	23	30,083

COLEG SIR GÂR

BALANCE SHEET AS AT 31 JULY 2025

		2025	2024
	Notes	£000	£000
Non-current assets			
Intangible fixed assets	10	-	-
Tangible fixed assets	11	28,965	28,778
Investments	12	248	236
Total fixed assets		29,213	29,014
Current assets			
Stocks	14	365	184
Trade and other receivables	15	4,332	3,625
Investments	13	18	17
Cash and cash equivalents	25	13,866	15,139
Total current assets		18,581	18,965
Less: Creditors: amounts falling due within one year	16	(6,480)	(7,396)
Net current assets		12,101	11,569
Total assets less current liabilities		41,314	40,583
Less: Creditors: amounts falling due after more than one year	17	(10,273)	(9,669)
Less: Provisions			
Defined benefit (obligation)/asset	21	(481)	-
Other provisions	18	(477)	(530)
Total net assets		30,083	30,384
Restricted reserves :			
Income and expenditure reserve - Endowment reserve	20	23	23
Unrestricted reserves :			
Income and expenditure reserve - unrestricted		22,679	22,788
Revaluation reserve		7,381	7,573
Total unrestricted reserves		30,060	30,361
Total reserves		30,083	30,384

The financial statements on pages 34 to 65 were approved and authorised for issue by the Board on the 11th December 2025 and were signed on its behalf on that date by:

Chair: 
Date : 11th December 2025
Mr John Edge

Director: 
Date: 11th December 2025
Mrs Vanessa Cashmore

Company registration no.: 8539630
Charity registration no.: 1152522

COLEG SIR GÂR

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2025

	Notes	2025 £000	2024 £000
Net cash inflow/(outflow) from operating activities	22	(1,484)	(1,848)
Cash flows from financing activities	23	349	488
Cash flows from investing activities	24	(138)	(1,539)
(Decrease)/Increase in cash and cash equivalents in the period		(1,273)	(2,899)
Cash and cash equivalents at 1 August	25	15,139	18,038
Cash and cash equivalents at 31 July	25	13,866	15,139

COLEG SIR GÂR

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES FOR THE YEAR ENDED 31 JULY 2025

Basis of preparation

Coleg Sir Gâr is a company limited by guarantee and incorporated and domiciled in the United Kingdom.

These financial statements have been prepared in accordance with the Companies Act as adapted to the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), in accordance with Financial Reporting Standard 102 – “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (FRS 102), the Companies Act 2006 and with the applicable Medr Accounts Direction. Coleg Sir Gâr is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the College's accounting policies.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention as modified by the use of previous valuations of certain fixed assets as deemed cost at transition to FRS 102 as at 1 August 2014. The accounting rules set out below have been applied consistently.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Going concern

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

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements. After reviewing these forecasts, the Directors are of the opinion that, taking account of severe but plausible downsides, including pay inflation and changes in funding arrangements, the College will have sufficient funds to meet its liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period). Consequently, the Directors have prepared the financial statements on a going concern basis.

Recognition of income

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. The recurrent grants from Welsh Government represent the funding allocations attributable to the current financial year and are credited direct to the income and expenditure account. Recurrent grants are recognised in line with planned activity. Any under-achievement against this planned activity is adjusted in-year and reflected in the level of recurrent grant recognised in the income and expenditure account.

Income from tuition fees is stated gross and recognised in the period for which it is received and includes all fees payable by students or their sponsors. Where the amount of tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

COLEG SIR GÂR

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES FOR THE YEAR 31 JULY 2025 (continued)

Recognition of income (continued)

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

Donations with restrictions are recognised when relevant conditions have been met; in many cases recognition is directly related to expenditure incurred on specific purposes. Donations which are to be retained for the benefit of the institution are recognised in endowments; other donations are recognised by inclusion as other income in the income and expenditure account.

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

Non-recurrent grants from the Welsh Government or other government bodies received in respect of the acquisition or construction of fixed assets are treated as deferred capital grants and amortised in line with depreciation over the life of the assets under the accrual method as permitted by FRS 102.

Income from the sale of goods or services is credited to the income and expenditure account when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

Accounting for post-employment benefits

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

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

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised as an actuarial movement in other comprehensive income. Actuarial gains and losses on liabilities are also recognised immediately in other comprehensive income. Where the calculation results in a net asset, recognition is limited to the extent to which the college is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. The directors have assessed that the Company is not able to recover the surplus through either reduced future contributions or through refunds from the plan, and as such, the asset ceiling has been applied reducing the surplus to NIL.

COLEG SIR GÂR

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES FOR THE YEAR 31 JULY 2025 (continued)

Short term employment benefits

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

Enhanced pensions

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

Tangible fixed assets

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

(a) Land and buildings

Freehold buildings are depreciated over their expected useful economic life to the College of between ten and fifty years. Leasehold land and buildings are depreciated over 50 years or, if shorter, the period of the lease. Freehold land is not depreciated.

Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related grants are credited to a deferred income account within creditors and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year.

Assets in the course of construction are not depreciated until the College has full use of the asset, at which time they are depreciated in accordance with the policy stated above.

Finance costs, which are directly attributable to the construction of land and buildings, are not capitalised as part of the cost of those assets.

On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings, which were revalued in 1998, as deemed cost but not to adopt a policy of revaluations of these properties in the future.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable. An annual review of impairment indicators is carried out annually at the financial statement reporting date.

(b) Equipment (including fixtures and fittings)

Equipment costing less than £3,000 per individual item is written off to the income and expenditure account in the period of acquisition. Grouped items, which are in aggregate above the threshold but individually under, will be reviewed specifically to determine the approach. All other equipment is capitalised at purchase cost. Equipment inherited from the Local Education Authority has not been included in the balance sheet, as it was their policy to charge the full purchase cost of the asset to the income and expenditure account in the year of acquisition.

Equipment is depreciated over its useful economic life as follows:

General equipment	5% - 25 % per annum
Computer equipment	20% - 33 % per annum
Fixtures and fittings	10% - 25 % per annum

COLEG SIR GÂR

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES FOR THE YEAR 31 JULY 2025 (continued)

Where equipment is acquired with the aid of specific grants it is capitalised and depreciated in accordance with the above policy. The related grants are credited to a deferred income account within creditors and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year.

Intangible fixed assets

The College has acquired a number of milk quotas for use in conjunction with the College's farming activities. The cost of the milk quotas has been classified as an intangible fixed asset. Milk quotas are amortised over a 10 year period on a straight-line basis.

Leased assets

Costs in respect of operating leases are charged on a straight line basis over the lease term. Any lease premiums or incentives relating to leases signed after 1st August 2014 are spread over the minimum lease term. The College has taken advantage of the transitional exemptions in FRS 102, and has retained the policy of spreading lease premiums and incentives to the date of the first market rent review for leases signed before 1st August 2014.

Leasing agreements which transfer to the College substantially all of the risks and rewards of ownership of an asset are treated as if the asset had been purchased outright. These are capitalised at their fair value at the inception of the lease, and depreciated over the shorter of the lease term or the useful economic lives of equivalently owned assets. The capital element outstanding is shown as obligations under finance leases.

The finance charges are allocated over the period of the lease in proportion to the capital element outstanding. Where finance lease payments are funded in full from funding council capital equipment grants, the associated assets are designated as grant-funded assets.

Investments

Investments in subsidiaries are accounted for at cost less impairment in the financial statements.

Listed investments held as non-current assets and current asset investments, are stated at fair value, with movements recognised in Comprehensive Income. Investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment in their value, estimated using a valuation technique.

Stocks

Stocks are stated at the lower of their cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

Cash and cash equivalents

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

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

Maintenance of premises

The College has a ten-year rolling long-term maintenance plan which forms the basis of the ongoing maintenance of the estate. The cost of long-term and routine corrective maintenance is charged to the income and expenditure account as incurred.

COLEG SIR GÂR

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES FOR THE YEAR 31 JULY 2025 (continued)

Financial assets, liabilities and equity

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

All loans, investments and short term deposits held by the College are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost. Loans and investments that are payable or receivable within one year are not discounted.

Foreign currency translation

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

Taxation

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

The College receives no similar exemption in respect of Value Added Tax.

The College's subsidiary company CCTA Enterprises Ltd is subject to corporation tax and VAT in the same way as any commercial organisation.

Provisions

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

Livestock

Livestock is treated as a fixed asset where it is intended for use on a continuous basis for the College's activities. Livestock is revalued on an annual basis with no depreciation charge being made. The movement between successive valuations is charged or credited to the income and expenditure account.

Agency costs

The College acts as an agent in the collection and payment of financial contingency funds and educational maintenance allowances. Related payments received from Welsh Government and subsequent disbursements to students and institutions are excluded from the income and expenditure of the College where the College is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Accounting for charitable donations and endowments

Non-exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised in income when the College is entitled to the funds.

COLEG SIR GÂR

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES FOR THE YEAR 31 JULY 2025 (continued)

Accounting for charitable donations (continued)

Income is retained within the restricted reserve until such time that any donor imposed restrictions attached to the donations and endowments are met at which time the income is released to general reserves through a reserves transfer. Donations with no restrictions are recognised in income when the College is entitled to the funds.

Investment income and movements in fair value of endowments are recorded in income in the year in which they arise and as either restricted or unrestricted income according to the terms of the restrictions applied to the individual endowment funds.

There are three main types:

1. Unrestricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the institution
2. Restricted expendable endowments – the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the institution can convert the donated sum into income
3. Restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective

Judgements in applying accounting policies and key sources of estimation uncertainty

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

- Determine whether there are indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- **Local Government Pension Scheme**

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 July 2025. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Where the calculation results in a net asset, recognition is limited to the extent to which the college is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. The directors have assessed that the Company is not able to recover the surplus through either reduced future contributions or through refunds from the plan, and as such, the asset ceiling has been applied reducing the surplus to NIL.

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS

1 Funding body grants

	2025	2024
	£000	£000
Recurrent grant	24,906	22,224
Work based learning	5,065	4,719
Specific grants	2,010	923
Capital grants:		
Buildings	407	459
Equipment	629	861
	33,017	29,186

2 Tuition fees and education contracts

	2025	2024
	£000	£000
UK higher education students	3,211	3,673
UK further education students	87	151
Non-EU students	-	-
Total tuition fees paid by or on behalf of individual students	3,298	3,824
Education contracts		
Higher Education contracts	522	620
Other contracts	555	503
	4,375	4,947

3 Other income

	2025	2024
	£000	£000
Residencies and catering	946	903
Farming activities	1,733	1,407
Other income-generating activities	2,755	3,047
Other grant income:		
European funds	-	-
Other funds	8,146	5,660
Other income	238	231
	13,818	11,248

4 Investment income

	2025	2024
	£000	£000
Interest receivable	670	754
	670	754

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

5 Staff costs

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

	2025 Number	2024 Number
Teaching departments:		
Teaching staff	212	211
Other staff	21	21
	233	232
Teaching support services	14	13
Other support services	23	24
Administration and central services	97	95
Premises	18	17
Other income-generating activities	92	88
Catering and residences	-	-
Farm	9	10
	486	479
Based on an average Headcount basis: Teaching staff	313	286
Support Staff	327	291
Staff costs for the above persons:		
	2025 £000	2024 £000
Teaching departments		
Teaching staff	14,319	12,957
Other staff	712	660
	15,031	13,617
Teaching support services	641	552
Other support services	1,050	971
Administration and central services	5,196	4,871
Premises	756	679
Other income-generating activities	4,358	4,010
Catering and residences	-	-
Farm	368	351
Restructuring costs	27	34
Pension costs	16	55
FRS 102 (Section 28 –Pension Cost)	(213)	(247)
Holiday pay accrual	-	2
	27,230	24,895
	2025 £000	2024 £000
Wages and salaries	20,371	19,042
Social security costs	2,217	1,860
Other pension costs	4,615	3,959
	27,203	24,861
Restructuring costs	27	34
	27,230	24,895

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

5 Staff costs (continued)

The number of staff, including key management personnel (as defined in note 6), who received emoluments in the following ranges were:

	2025 Number	2024 Number
£60,001 - £65,000	7	3
£65,001 - £70,000	-	4
£70,001 - £75,000	9	2
£75,001 - £80,000	-	-
£80,001 - £85,000	-	-
£85,001 - £90,000	-	-
£90,000 - £95,000	-	-
£95,001 - £100,000	-	2
£100,001 - £105,000	1	1
£105,001 - £110,000	2	-
£110,000 - £180,000	-	1
£180,000 - £185,000	1	-
	20	13

A pay award of 5.5 % was approved by the Board and paid with effect from 1 August 2024 for all staff, including the Principal who received 5.5 % (2024: 0%). For these purposes, emoluments include taxable benefits in kind but not employer pension costs. There were no staff within the £110,001 - £180,000 range.

6 Key management personnel emoluments

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the College Leadership Team which comprises the Principal, and vice principals.

The number of key management personnel, including the Principal, was 4 (2024: 4).

	2025 Number	2024 Number
£95,001 - £100,000	-	2
£100,001 - £105,000	1	1
£105,001 - £110,000	2	-
£175,000 - £180,000	-	1
£180,001 - £185,000	1	-
	4	4

Key management personnel emoluments are made up as follows:

	2025 £	2024 £
Salaries	500,236	471,044
Benefits in kind	7,522	4,973
	507,758	476,017
Pension contributions	134,326	114,196
Total emoluments	642,084	590,213

The above emoluments include amounts payable to the Principal (who is also the highest paid member of the key management) of:

	2025 £	2024 £
Salaries	183,133	173,595
Benefits in kind	7,522	4,500
	190,655	178,095
Pension contributions	52,523	44,000
Total emoluments	243,178	222,095

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

The pension contributions in respect of the Principal and other senior post-holders are in respect of employer's contributions to the Local Government and Teachers Superannuation Schemes and are paid at the same rate as for other employees.

The Board members, other than the Principal and staff members, did not receive any payment from the College other than the reimbursement of travel and subsistence expenses of £1,105 (2024: £1,635) incurred in the course of their duties.

The Principal received a pay increase of 5.5 % in 2025 (2024: 0 %), along with other higher paid staff (including key management personnel), who received a pay increase of 5.5 % during the year (2024: 5.0%). No additional bonuses or other salary enhancements were awarded to key management personnel or other higher paid staff (2024: nil). The Principal's salary, as a multiple of the median of all employees pay (all full and part time staff but excluding agency workers) was 5.3 in 2025 (2024 : 5.3). Similarly, the multiple based on all emoluments was 5.7 in 2025 (2024 : 5.5).

The remuneration of the Principal is benchmarked on typical Further Education institutions of a similar size and complexity and reflects the challenges and magnitude of the role. Coleg Sir Gâr, combined with its' subsidiary company, Coleg Ceredigion, is a large company with a combined turnover of over £ 58 m with a staff headcount of over a 600, spilt across a very diverse area; indeed, crossing 2 counties: Carmarthenshire and Ceredigion. The task of managing the 7 sites, so widely dispersed, is complicated and challenging.

Key performance measures would include achieving the highest possible standards of quality in terms of our teaching and learning operation whilst providing an exciting, innovative and inclusive environment for students and staff to work within, and at all times to do so within the resources provided.

A constant challenge is to achieve efficiency of operations, combined with a drive to seek out and secure new sources of income where possible. This can only be achieved by working with all the college stakeholders, of which there are many, and ensuring a harmonious, collaborative and fair environment to all.

In addition, since the college is part of a wider group as a subsidiary of the University of Wales: Trinity Saint David, the Principal plays an important role in terms of working closely with the university to achieve mutually beneficial planned and agreed objectives, designed to create the highest level of teaching quality and learner experience whilst facilitating a lifelong learning culture and environment.

The Principal reports directly to the Board of Directors who are ultimately responsible for the performance of the college. The Directors also evaluate and assess the Principal's effectiveness in terms of managing the college and similarly, the remuneration package for the role.

The Directors have carried out an assessment with regards the Principal's salary and believe, that the salary is commensurate with the role at the college. To derive this conclusion, an assessment of the size, complexity, challenges and responsibility would have been undertaken, along with a benchmarking exercise of other FE colleges of similar size and complexity.

Severance Payments

The college paid 6 severance payment in the year, disclosed in the following bands :

	2025 Number
£0 - £25,000	6
£25,001 - £50,000	-
£50,001 - £100,00	-
£100,001 - £ 150,000	-
£150,000 +	-
	6

Included in staff restructuring costs is a special severance payment totalling £27,000.

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

7 Other operating expenses

	2025 £000	2024 £000
Teaching departments	909	1,242
Teaching support services – libraries & resource centres	49	52
- examination fees	689	792
- student transport	1,319	1,263
Other support services	42	46
Administration and central services	11,718	8,001
General education expenditure	326	336
Premises:		
Running costs	1,424	1,517
Routine maintenance	953	969
Rents and leases	163	139
Planned maintenance	-	-
Other income generating activities	32	32
Catering and residence operations	1,237	1,056
Farming activities	999	910
Franchised provision	928	875
Irrecoverable value added tax	1,317	1,257
	22,105	18,487

Other operating expenses include:

	£000	£000
Auditor's remuneration:		
Financial statements audit	42	40
Other services provided by the financial statements auditor (regulatory return services)	9	6
Internal audit	22	22
Registration fees	80	82
Hire of other assets – operating leases	135	128

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

8 Costs in respect of overseas activities

The following costs were incurred during 2025-2026 in respect of overseas activities, which were carried out in accordance with the strategy approved by the governing body:

	Travel and Accommodation £	Subsistence Hospitality £	Other Costs £	Number of Visits
Members	-	-	-	-
Key management personnel	-	-	-	-
Other staff	-	-	-	-
	-	-	-	-

9 Interest and other finance costs

	2025 £000	2024 £000
On finance leases	62	41
Pension finance costs (see note 21)	(17)	(371)
	45	(330)

10 Intangible fixed assets

	Milk quota £000
Cost	
At 1 August 2024 and 31 July 2025	302
Accumulated Amortisation	
At 1 August 2024	302
Charge for the year	-
At 31 July 2025	302
Net book value	
At 31 July 2025	-
At 31 July 2024	-

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

11 Tangible fixed assets

	Freehold land and buildings £000	Equipment £000	Fixtures and fittings £000	Livestock £000	Total £000
Cost or valuation					
At 1 August 2024	43,979	10,431	4,384	500	59,294
Additions	1,450	341	469	27	2,287
Revaluation	-	-	-	-	-
Disposals	-	(474)	(706)	-	(1,180)
At 31 July 2025	45,429	10,298	4,147	527	60,401
Accumulated Depreciation					
At 1 August 2024	17,813	8,940	3,763	-	30,516
Charge for the year	856	853	367	-	2,076
Eliminated on disposal	-	(449)	(707)	-	(1,156)
At 31 July 2025	18,669	9,344	3,423	-	31,436
Net book value					
At 31 July 2025	26,760	954	724	527	28,965
At 31 July 2024	26,166	1,491	621	500	28,778

Analysis of net book value at 31 July 2025

Inherited	7,382	-	-	-	7,382
Financed by capital grant	10,539	349	-	-	10,888
Other	8,839	605	724	527	10,695
	26,760	954	724	527	28,965

Land and buildings were revalued in 1998 at depreciated replacement cost by Cooke & Arkwright, a firm of independent chartered surveyors. On adoption of FRS 102, revalued properties have been treated as deemed cost. The analysis of cost or valuation of the tangible fixed assets as at 31 July 2025 is as follows:

Cost or valuation at 31 July 2025 represented by:

Valuation in 1998 (see above)	19,716	-	-	527	20,243
Cost	25,713	10,298	4,147	-	40,158
	45,429	10,298	4,147	527	60,401

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

11 Tangible assets (continued)

Freehold land and buildings

	Occupied for own use £000	Investment properties £000	Properties under development £000	Total £000
Cost or valuation				
At 1 August 2024	43,979	-	-	43,979
Transferred in the year	-	-	-	-
Additions	1,450	-	-	1,450
Disposals	-	-	-	-
At 31 July 2025	45,429	-	-	45,429
Accumulated Depreciation				
At 1 August 2024	17,813	-	-	17,813
Charge for the year	856	-	-	856
Disposals	-	-	-	-
At 31 July 2025	18,669	-	-	18,669
Net book value				
At 31 July 2025	26,760	-	-	26,760
At 31 July 2024	26,166	-	-	26,166
Analysis of net book value at 31 July 2025				
Inherited	7,382	-	-	7,382
Financed by capital grant	10,539	-	-	10,539
Other	8,839	-	-	8,839
	26,760	-	-	26,760

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

12 Non-current investments

	2025 College £000	2024 College £000
Investment in subsidiary company	-	-
Other non-current asset investments	248	236
	248	236

The College's investments are in the following subsidiaries:

Name of company	Holding	Country of Incorporation	Activity
Coleg Ceredigion	Limited by Guarantee	Wales	Further Education College
CCTA Enterprises Limited	100%	Wales	Dormant
Rareblend Limited	100%	Wales	Dormant

Other non-current asset investments

	Listed investments £000	Other investments £000	Total £000
Cost or valuation			
At 1 August 2024	33	203	236
Additions	-	-	-
Revaluation	12	-	12
At 31 July 2025	45	203	248
Cost or valuation at 31 July 2025 represented by:			
Valuation	45	-	45
Cost	-	203	203
	45	203	248

13 Current investments

	2025 £000	2024 £000
Endowment assets		
Balance at 1 August	17	17
Increase in value of investments	1	-
Income for the year	-	-
Expenditure for the year	-	-
Balance at 31 July	18	17
Represented by:		
COIF Charities Investment Fund Holdings	18	17
	18	17

14 Stock

	2025 £000	2024 £000
Livestock for resale	365	184
Other stock	-	-
	365	184

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

15 Trade and other receivables

	2025 £000	2024 £000
Amounts falling due within one year:		
Trade debtors	201	158
Amounts owed by group undertakings : subsidiaries	-	-
other	1,358	168
Prepayments and accrued income	2,773	3,299
	4,332	3,625

Note: Amounts owed by group undertakings are repayable on demand and interest free. Other refers to the parent company UWTSD

16 Creditors: amounts falling due within one year

	2025 £000	2024 £000
Obligations under finance leases	212	161
Payments received in advance	1,102	1,320
Trade payables	1,517	1,517
Amount owed to group undertakings: subsidiary	-	-
Amount owed to group undertakings: Other	30	197
Taxation and social security	518	454
Accruals and deferred income	2,065	2,427
Deferred income – government capital grants	1,036	1,320
	6,480	7,396

Note: Amounts owed to group undertakings are repayable on demand and do not accrue interest

17 Creditors: amounts falling due after more than one year

	2025 £000	2024 £000
Bank loans and overdrafts	-	-
Obligations under finance leases	421	321
Deferred income - government capital grants	9,852	9,348
Total	10,273	9,669

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

17 Creditors: amounts falling due after more than one year (continued)

Finance leases

	2025 £000	2024 £000
The net finance lease obligations to which the institution is committed are:		
In one year or less	212	161
Between two and five years	421	321
In five years or more	-	-
	633	482

18 Other provisions

	Enhanced Pension Provision £000
At 1 August 2024	530
Utilised in the period	(69)
Released in the period	-
Transferred from income and expenditure account	16
At 31 July 2025	477

The enhanced pension provision relates to staff who have already left the College's employ and commitments for reorganisation costs from which the College cannot reasonably withdraw at the balance sheet date. The provision has been recalculated in accordance with the latest LSC circular. The principal assumptions for this calculation are:

	2025	2024
Interest rate	5.5 %	4.8 %
Net interest rate	2.7 %	2.8 %

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

19 Deferred income – capital grants

	2025 £000	2024 £000
Amounts falling due within one year	1,036	1,320
Amounts falling due after more than one year	9,852	9,348
	10,888	10,668

The movement in capital grants is as follows:

	WG £000	Other grants £000	Total £000
At 1 August 2024			
Land and buildings	7,773	2,158	9,931
Equipment	713	24	737
Cash received			
Land and buildings	1,015	-	1,015
Equipment	240	-	240
Released to income and expenditure account			
Land and buildings	(302)	(105)	(407)
Equipment	(628)	-	(628)
At 31 July 2025			
Land and buildings	8,486	2,053	10,539
Equipment	325	24	349
	8,811	2,077	10,888

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

20 Endowment reserves

Year ended 31st July 2025

	Unrestricted Permanent £000	Restricted Expendable £000	Restricted Permanent £000	Restricted Total £000	Total £000
Balance at 1 August 2024					
Capital	-	23	-	23	23
Accumulated interest	-	-	-	-	-
Total	-	23	-	23	23
Increase in market value of investments	-	1	-	1	1
Expenditure for the year	-	(1)	-	(1)	(1)
Balance at 31 July 2025					
Capital	-	23	-	23	23
Accumulated interest	-	-	-	-	-
Total	-	23	-	23	23
Representing:					
Fellowship and scholarship funds	-	22	-	22	22
Prize funds	-	1	-	1	1
Total	-	23	-	23	23

Year ended 31st July 2024

	Unrestricted Permanent £000	Restricted Expendable £000	Restricted Permanent £000	Restricted Total £000	Total £000
Balance at 1 August 2023					
Capital	-	22	-	22	22
Accumulated interest	-	-	-	-	-
Total	-	22	-	22	22
Increase in market value of investments	-	2	-	2	2
Expenditure for the year	-	(1)	-	(1)	(1)
Balance at 31 July 2024					
Capital	-	23	-	23	23
Accumulated interest	-	-	-	-	-
Total	-	23	-	23	23
Representing:					
Fellowship and scholarship funds	-	22	-	22	22
Prize funds	-	1	-	1	1
Total	-	23	-	23	23

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

21 Pension and similar obligations

The College's employees belong to two principal pension schemes, the Teachers Pension Scheme (TPS) which is unfunded and the Local Government Pension Scheme (LGPS) which is funded. Both are multi-employer defined benefit plans, the assets of the schemes being held in separate trustee-administered funds.

The total pension cost for the College was:

	2025	2024
	£000	£000
TPS: Contributions paid	3,047	2,521
LGPS: Charge to the Statement of Comprehensive Income:		
Contributions paid	1,765	1,630
FRS 102 charge	(4,826)	(247)
Staff restructuring (see below)	16	55
Total pension cost	2	3,959
	2025	2024
	£000	£000
Staff restructuring		
Benefits recharged during the year by the LGPS	69	67
Other staff restructuring costs	(53)	(12)
	16	55
	2025	2024
	£000	£000
Total Contributions to LGPS		
Benefits recharged during the year by the LGPS	69	67
Employer normal contributions	1,765	1,630
	1,834	1,697

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

LGPS (Local Government Pension Scheme)

The last full actuarial valuation was performed on 31 March 2022 at which date the market value of assets of the scheme was £3,243 million. The actuarial value of the assets represented 113 % of the fund's accrued liabilities after allowing for future increases in earnings. This equates to a surplus of £372 m.

The funding objective as set out by the FSS is to achieve and maintain a solvency funding level of 100 % of liabilities. In line with the FSS, where a shortfall exists at the effective date of the valuation a deficit recovery plan will be put in place which requires additional contributions to correct the shortfall. The directors have assessed that the Company is not able to recover the surplus through either reduced future contributions or through refunds from the plan, and as such, the asset ceiling has been applied reducing the surplus to NIL. At this valuation, the average recovery period for employers in deficit is 9 years and for employers in surplus 14 years (subject to the surplus buffer).

The agreed contribution rate for the College year commencing 1 April 2025 is 19.8 % (2024: 19.8%), The next scheme valuation was on the 31st March 2025 with new contribution rates applicable from April 2026.

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

21 Pension and similar obligations (continued)

An actuarial valuation of the scheme was also carried out at 31 July 2025, and 31 July 2024 by a qualified independent actuary using the projected unit method. The major assumptions used by the actuary were:

	2025	2024
Rate of inflation - CPI	2.50%	2.60%
Rate of increase in salaries	4.00%	4.10%
Rate of increase in pensions	2.60%	2.70%
Discount rate	5.90%	4.90%

Post Retirement Mortality assumptions

Beginning of period:

- Non-retired members SAPS 4 CMI 24 (1.5%) (103% males ,97% females)
- Retired Members SAPS 4 CMI 24 (1.5 %) (100% males,97% females)

End of period:

- Non-retired members SAPS 4 CMI 24 (1.5%) (115% males, 104% females)
- Retired members SAPS 4 CMI 24 (1.5 %) (109% males, 103% females)

Life expectancy	Years	Years
Retiring Today - Males	21.1	21.4
Retiring Today - Females	23.5	23.8
Retiring in 20 years' time - Males	22.3	22.8
Retiring in 20 years' time – Females	25.2	25.6

Estimated Asset allocation:

	2025 Split %	2024 Split %
Equities	69.8	73.2
Government bonds	0.0	0.0
Other bonds	8.9	9.3
Property	10.2	10.8
Cash/Other	11.1	6.7
	100.0	100.0

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

21 Pension and similar obligations (continued)

The following amounts at 31 July 2025, and 31 July 2024 were measured in accordance with the requirements of FRS 102 (note that IAS 19 has been used to calculate the value of pension surplus to be recognised on the balance sheet which concluded that the surplus should be restricted to NIL – see LGPS Policy under policies on page 38 for more detail):

	2025 £000	2024 £000
Fair value of plan assets	68,321	63,142
Present value of funded liabilities	(46,798)	(54,255)
Surplus / (Deficit) in the scheme	21,523	8,887
Effect of the asset ceiling	(21,523)	(8,887)
Recognised pension asset / (liability)	-	-
Present Value of unfunded liability	481	565
Recognised unfunded pension liability	481	-

The following components of the pension charge have been recognised in the Statement of Comprehensive Income for the years ended 31 July 2025 and 31 July 2024:

	2025 £000	2024 £000
Amounts recognised in the statement of Comprehensive Income:		
Amounts included in staff costs		
Current service cost	(1,585)	(1,417)
Administration cost	(36)	(33)
Curtailment cost	-	-
Operating cost	(1,621)	(1,450)
Analysis of amounts charged to financing of provisions		
Interest on plan assets	3,101	2,933
Interest on pension liabilities	(2,621)	(2,562)
Net interest on asset ceiling	(463)	-
Net finance (cost)/income	17	371
Amounts recognised in other Comprehensive Income		
Remeasurements of assets	1,841	2,483
Effects of changes in assumptions underlying the present value of scheme liabilities	9,621	(624)
Actuarial (loss)/gain	11,462	1,859
Asset Ceiling impact	(11,608)	(2,477)
Other Comprehensive Income	(146)	(618)

During the current period, an adjustment was also recognised within Other Comprehensive Income related to the opening unfunded pension liability of £ 565 k

Movement in the College's share of the scheme's deficit during the year

Surplus/(Deficit) in scheme as at 1 August	8,887	6,410
Operating cost	(1,621)	(1,450)
Net finance (cost)/income	480	371
Actuarial (loss)/gain	11,462	1,859
Contributions	1,834	1,697
Surplus/(Deficit) in scheme as at 31 July	21,042	8,887
Effect of asset ceiling	(21,523)	8,887
Recognised pension asset/(liability)	(481)	-

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

21 Pension and similar obligations (continued)

Asset and Liability Reconciliations:

Reconciliation of Liabilities	2025	2024
	£000	£000
Liabilities at start of year	54,255	50,842
Current service cost	1,585	1,417
Interest cost	2,621	2,562
Contribution by scheme participants	554	511
Changes in financial assumptions	(9,438)	937
Changes in demographic assumptions	(617)	(122)
Experience (gain)/loss	434	(192)
Benefits paid	(2,115)	(1,700)
Curtailments and settlements	-	-
Liabilities at end of year	47,279	54,255

Reconciliation of Assets	2025	2024
	£000	£000
Assets at start of year	63,142	57,252
Interest on plan assets	3,101	2,933
Remeasurement of assets	1,841	2,482
Administration expenses	(36)	(33)
Contributions by the employer	1,834	1,697
Contributions by the scheme participant	554	511
Benefits paid	(2,115)	(1,700)
Assets at end of year	68,321	63,142

The expected return on assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields at the balance sheet date. Expected returns on equity investments reflect long-term rates of return experienced in the respective markets.

Reconciliation of asset ceiling £'000

Effect of the asset ceiling – start of period	(9,452)
P& L : Net Interest	(463)
OCI : Remeasurement gain/(loss)	(11,608)
Effect of the asset ceiling – end of period	(21,523)

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

Pension and similar obligations (continued)

History of experience gains and losses

	2025	2024
Remeasurements of assets:		
Amount (£000)	1,841	2,482
Percentage of scheme assets	2.7%	3.9%
Experience gains and losses arising on scheme liabilities:		
Amount (£000)	-	-
Percentage of scheme liabilities	-	-
Effects of changes in assumptions underlying the present value of scheme:		
Amount (£000)	9,621	(624)
Percentage of scheme liabilities	45.5%	(1.1) %
Total of amounts recognised in the statement of Comprehensive income:		
Amount (£000)	11,462	1,859
Percentage of scheme liabilities	24.2%	3.4%

Sensitivity Analysis

Disclosure item	Central	Sensitivity 1	Sensitivity 2	Sensitivity 3	Sensitivity 4	Sensitivity 5	
		+ 0.5 % p.a. discount	+0.25 % p.a inflation	+0.25 % p.a pay growth	1 year increase in life expectancy	+/-1% change in 2023/24 investment returns : + 1%	-1%
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Liabilities	47,279	43,781	49,131	47,697	48,159	47,279	47,279
Assets	(68,321)	(68,321)	(68,321)	(68,321)	(68,321)	(69,006)	(67,636)
Deficit/(Surplus) exc ceiling impact	(21,042)	(24,540)	(19,190)	(20,624)	(20,162)	(21,727)	(20,357)
Projected service cost for next year	1,158	1,011	1,239	1,158	1,186	1,158	1,158
Projected net interest cost for next year – exc ceiling impact	(1,296)	(1,629)	(1,184)	(1,269)	(1,242)	(1,336)	(1,256)

On 25 July 2024, the Court of Appeal dismissed the appeal in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others. The appeal was brought by Virgin Media Ltd against aspects of the High Court's ruling handed down in June 2023 relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. The Court of Appeal upheld the High Court's ruling. The ruling may have implications for other UK defined benefit plans. It is understood this may or may not apply to the LGPS and HM Treasury is currently assessing the implications for all public service pension schemes. No further information is available at this stage.

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

Pension and similar obligations (continued)

TPS (Teachers Pension Scheme)

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools, colleges and other educational establishments. Membership is automatic for teachers and lecturers at eligible institutions. Teachers and lecturers are able to opt out of the TPS.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act. Retirement and other pension benefits are paid by public funds provided by Parliament.

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

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

The valuation of the TPS is carried out in line with regulations made under the Public Service Pension Act 2013. Valuations credit the teachers' pension account with a real rate of return assuming funds are invested in notional investments that produce that real rate of return.

The latest actuarial review of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education (the Department) in October 2023. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service at the effective date of £262 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222 billion giving a notional past service deficit of £40 billion (compared to £22 billion in the 2016 valuation)

As a result of the valuation, new employer contribution rates will rise to 28.68% from April 2024 (compared to 23.68% during 2018/9).

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

The pension costs paid to TPS in the year amounted to £3,047,000 (2024: £2,521,000)

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

22 Reconciliation of consolidated operating surplus/(deficit) to net cash inflow/(outflow) from operating activities

	2025 £000	2024 £000
Surplus/(Deficit) for the year	873	711
Adjustments for investing or financing activities:		
Interest paid	62	41
Interest (received)	(670)	(754)
Adjustments for non-cash items:		
Depreciation (note 11)	2,076	2,361
Increase/(decrease) in provision for bad and doubtful debts	5	(46)
Deficit on disposals of fixed assets	26	-
Revaluation of investments	(12)	12
Deferred capital grants released to income:		
WG (note 1)	(1,036)	(1,320)
Specific grants released to income	(675)	(177)
Pension cost less contributions payable	(693)	(618)
(Increase)/Decrease in stocks	(209)	(148)
Decrease/ (Increase) in debtors	(1,406)	188
(Increase)/decrease in prepayments and accrued income	693	(1,754)
Increase/(decrease) in creditors	30	177
(Decrease)/increase in other taxation and social security	65	(236)
Increase/(decrease) in accruals	(559)	175
Increase/(decrease) in provisions	(54)	(460)
Net cash inflow/(outflow) from operating activities	(1,484)	(1,848)

23 Cash flows from financing activities

	2025 £000	2024 £000
Interest received	670	754
Interest element of finance lease rental payments	(62)	(41)
Capital element of finance lease payments	(259)	(225)
	349	488

24 Cash flows from investing activities

	2025 £000	2024 £000
Payments to acquire tangible fixed assets	(1,851)	(579)
Proceeds from disposal of tangible fixed assets	-	-
Proceeds from disposal of investments	-	-
Deferred capital grants received	1,255	136
Other grants released	458	(1,096)
	(138)	(1,539)

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

25 Cash and cash equivalents

	2025	2024
	£000	£000
Cash in hand and at bank	13,618	14,903
Cash Equivalents	248	236
Net cash	13,866	15,139

26 Capital commitments

	2025	2024
	£000	£000
Commitments contracted for at 31 July	-	-

27 Financial commitments

At 31 July 2025 the College was committed to making the following minimum lease payments under non-cancellable operating leases:

	2025	2025	2024	2024
	Land and	Other	Land and	Other
	buildings		buildings	
	£000	£000	£000	£000
Not later than one year	49	93	49	51
Later than one year and not later than five years	16	116	16	107
Later than five years	-	-	-	-
	65	209	65	158

28 Related party transactions

The College maintains a register of its interests for Directors of the Company and key management personnel. The following were outstanding / carried out during the year ended 31st July 2025:

CCTA Enterprises Ltd

- £ 250 receivable (2024 : £250), £0 payable (2024 : £0)
- Total income for the year £0 (2024 : £ 0), total purchases £0 (2024 : £ 0)

Coleg Ceredigion - Group Member

- £0 receivable (2024: £0), £0 payable (2024 : £0)
- Total income for the year £0 (2024: £0), total purchases £18,700 (2024: £28,870)

UWTSD – Parent

- £1,358,395 receivable (2024: £167,879) , £30,301 payable (2024: £197,136)
- Total income for the year £3,450,795 (2024: £3,569,700), total purchases £1,021,177 (2024: £972,966)

Fforwm Services Limited

- £ 0 receivable (2024 : £ 0), £0 payable (2024: £0)
- Total Income £ 12,190 (2024 : £23,022),Total purchases £68,962 (2024: £68,023)

Note : Transactions amongst the group companies are for services rendered. FForwm, is the subscription cost for the Colleges Wales services provided to all Welsh FE colleges. Income is grant drawdown.

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

29 Amounts dispersed as agents

The College acts as agent in the administration of learner support funds which are available solely for students. The grants and related disbursements are excluded from the income and expenditure account.

Financial Contingency Funds	2025	2024
	MEDR	MEDR
	£000	£000
Balance unspent at 1 August	14	71
Grants received	418	397
Available for distribution	432	468
Disbursed to students	(409)	(442)
Administration costs	(12)	(11)
Balance unspent at 31 July	11	14

30 Ultimate parent undertaking

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

University of Wales: Trinity Saint David
Carmarthen
SA31 3EP

COLEG SIR GAR

England & Wales - Charity number 1152522

Accounts



COLEG SIR GÂR
(a company limited by guarantee)

ANNUAL REPORT

FOR THE YEAR ENDED 31ST JULY 2024

Company registration no : 8539630

Charity registration no : 1152522

COLEG SIR GÂR

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COLEG SIR GÂR

PUBLIC BENEFIT STATEMENT

Coleg Sir Gâr is a registered charity (charity registration number: 1152522). The members of the Board of Directors, who are trustees of the charity, are disclosed in the Directors' Report on page 16.

In setting and reviewing the College's strategic objectives, the Board of Directors has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

Charitable Objectives

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

The College is well aware of its public benefit responsibility and, therefore, ensures that this is at the heart of all its operations and services.

Fulfilment of the charitable objectives

Beneficiaries

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

Coleg Sir Gâr is a college of further and higher education based in Carmarthenshire in South West Wales. The college has five campuses within the county: Llanelli (Graig campus); Ammanford; Llandeilo (Gelli Aur campus); and Carmarthen (Pibwrlwyd and Job's Well campuses). Currently the College has approximately 9,000 students enrolled on a range of courses including A Levels, Vocational Awards, Certificates and Diplomas, Higher National Certificates, Foundation Degrees and Degree programmes.

To deliver these courses, the College employs circa 650 teaching and support staff. The courses, students and staff are all located within one of 8 curriculum areas. The success of the College's students highlights the benefits of the range of effective partnerships maintained by the College.

The excellence of the College's partnership with the Carmarthenshire 14-19 Learning Network has been recognised with the achievement of a UK Beacon Award. The College's partnerships with industry are of significant importance and relationships with the construction industry have been recognised by an all Wales and UK Regional National Training Award.

In addition to College based provision, the College is also a significant work based learning provider with an extensive range of Traineeship and Apprenticeship programmes in a wide range of industrial sectors. The College has invested heavily over the last decade to provide students with the best possible learning environment. This has allowed the College's students to access excellent facilities and resources. The College also prides itself on being a caring and safe college, at all times putting the interests of the students first.

Admissions policy

The College operates a flexible and inclusive admissions policy, and provides for differentiation and individual needs in the design of its learning programmes. Some programmes have specific entry requirements which are reviewed annually and published in the College prospectus.

COLEG SIR GÂR

PUBLIC BENEFIT STATEMENT (continued)

Student Support/Bursaries/Scholarships

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

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

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

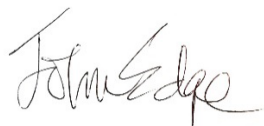
Widening Participation

The College has a comprehensive and broad range of academic and vocational education and training programmes. These range from pre-entry to graduate level, providing a service to the whole learning community. It offers further education, adult and community learning, higher education and work-based learning. It also provides for large numbers of 14-16 school pupils who attend the College or are taught by College staff at their schools. The College delivers across five campuses, at various community locations, in the workplace and online.

Community Engagement

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

By order of the Board



Signature

Date: 12th December 2024.....

Mr John Edge
Director

COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2024

The directors present their strategic report for the year ended 31 July 2024.

Background

In 1992, Parliament passed the Further and Higher Education Act as a result of which all former institutions of further education (where the total full-time, block release and part-time day release student enrolments in the 1990 FESR amounted to at least 15 per cent of the College's student load) and all existing sixth form institutions were incorporated into a new sector. The College was incorporated on 30 September 1992, although the Corporation did not become an independent Institution until 1 April 1993 (vesting day).

On 1 August 2013 the Coleg Sir Gâr Further Education Corporation (Dissolution) Order 2013 came into force. This order dissolved the further education corporation previously established and transferred all of its properties, rights and liabilities to the new Coleg Sir Gâr Company. The Coleg Sir Gâr (Designated Institutions in Further Education) Order 2013 came into force on the same day establishing a new College conducted by a registered company, limited by guarantee. This new Coleg Sir Gâr company is a wholly owned subsidiary of University of Wales: Trinity Saint David.

On the 1 August 2017, Coleg Ceredigion became a wholly owned subsidiary of Coleg Sir Gâr, having formerly been a direct subsidiary of the ultimate parent company University of Wales: Trinity Saint David.

Principal activities

Coleg Sir Gâr is a large, multi-site, Further Education College based in South West Wales and has five main campuses at Llanelli (Graig), Carmarthen (Pibwrlwyd and Jobs Well), Ammanford and Llandeilo (Gelli Aur). It has approximately 9,000 learners of which some 2,500 are full time and over 6,000 are part time. There are approximately 600 higher education learners. The College has a comprehensive and broad range of academic and vocational education and training programmes that range from pre-entry to graduate level, providing a service to the whole learning community. The principal activities of the College are further education, higher education, work-based learning, 14-19 school provision, professional training, consultancy and the delivery of Government initiatives to industry. The College also offers its provision online, via partnerships at community locations and in the workplace.

Campuses vary in size and nature and offer a variety of subjects. The College has an annual turnover of around £46 m and employs circa 577 staff. Of these, 286 are directly involved in teaching and 291 in support and administrative functions

The County

Carmarthenshire is a predominantly rural county with a chain of market towns providing the focus of activity. Carmarthen is the county town with a strong retail sector and relatively large local government, health and administration population.

The south east of the county has historically been associated with heavy industry and is the most densely populated part of the county, with Llanelli being the largest settlement. Whilst some large key employers remain in this part of the county, the economy has sought to diversify into light engineering and new technology industries.

The Index of Deprivation shows that there are concentrated areas of educational deprivation, employment deprivation and, consequently, multiple deprivation in South West Wales. Carmarthenshire has proportionally higher levels of inactive individuals in comparison to Wales and the UK.

COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2024

Purpose



Strategic Vision

VISION

We will:

- put the needs of the learner first;
- be safe, inclusive and caring;
- live by our values and behaviours;
- provide the best learner experience, enhanced by digital technology;
- facilitate personal development and progression for learners;
- encourage curiosity and creativity in teaching and learning;
- develop a flexible, employer informed, curriculum;
- champion the Welsh language and culture;
- implement an ambitious workforce development programme;
- develop partnerships that impact positively on learners and business performance;
- improve our financial resilience and efficiency;
- support regeneration and prosperity in our communities; and
- create a sustainable environment for learners to be successful

Values and Behaviours

RESPECT

We will be:

- accepting of difference and provide opportunity for everyone to thrive;
- empathetic to each others' needs;
- courteous and kind to each other;
- supportive and care for each other;
- ready and willing to engage positively.

UNITY

We will be:

- one team with a set of common goals and unified direction;
- mindful of our behaviour and language, and its impact on others;
- bilingual in our communication and engagement;
- integrated with our community and partners;
- transparent in all aspects of our work.

PROFESSIONALISM

We will be:

- honest and act with integrity;
- driven to provide outstanding education and customer service;
- open to receiving different views that inform our decision making;
- a learning organisation with a curious nature;
- sustainable in our planning and delivery.

Strategic Priorities

Outstanding teaching and learning

Inspirational learner experience

Sustainable organisational resilience

Committed partnership working

COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2024

Financial Performance and Objectives

The College's financial objectives are:

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

The Statement of Comprehensive Income for the period is set out on page 32. The highlights for the period in relation to these are detailed below.

- Total income for the period has remained relatively stable at circa £46m (2023: £47m). Maintaining a significant level of turnover reflects the continued success of the College at delivering education. Fluctuations in turnover are inevitable, and can be greatly influenced by the level of project work undertaken.
- Staff costs (excluding exceptional costs) as a percentage of total income have remained relatively stable at 54.0 % (23: 54 %) . The average number of staff employed remained relatively constant. Other operating expenses increased as a percentage of total income from 39% to 40%, primarily driven by high inflationary pressures.
- The surplus for the year was £ 710,000 (2023: £437,000 loss) post FRS 102 non cash adjustments of a positive £ 619,000 (2023 : £ 851,000 negative) . The operating surplus (pre FRS 102 non cash adjustments) was £ 91,000 (2023 : £ 414,000) .
- The liquidity position remains satisfactory, with the ratio of short-term assets to creditors falling due within one year standing at 2.6 (2023: 2.3).
- Net assets have improved from £ 30.3 million to a £ 30.4 million . Net assets, excluding defined benefit obligations have also increased from £30.3 million to £30.4 million as the asset ceiling was applied to the pension reducing the position to NIL. For further details on the accounting standards under which these financial statements are prepared, see the Statement of Principal Accounting Policies and Estimation Techniques on page 37.
- Specific capital grants were applied in line with the College's Strategic Plan towards enhancing effectiveness and providing a quality learning environment.
- The provision for enhanced pensions was reviewed during the period and the balance required at 31 July 2024 has been estimated at £530,000 (2023: £542,000).

Treasury policies and objectives

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

The College has a separate treasury management policy in place.

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

COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2024

Cash flows, liquidity and reserves policy

The college operating cashflow position for the year is a negative amount of £ 1.8 m. Overall cash balances decreased by £ 3 m (from £18.0 m to £15 m). This was in the main driven by a repayment of unutilised grants from 22/23. The College wishes to continue to accumulate cash balances to fund future planned capital developments. To achieve this, the College has continued its drive for efficiency in the education and training it delivers. This has been, and will be, achieved by thoroughly reviewing its curriculum provision, effective deployment of resources, and best value procurement of goods and services. In addition, the College continues to seek and develop other sources of income. Significant re-investment into the College estate and plant and equipment ensures that learners have quality provision to aid in their educational process. The college aims to hold a minimum of 2 months expenditure (£ 8 m) in cash reserves at all times.

Curriculum Development and Enrichment

There is a wide-ranging curriculum that meets learners' aspirations. The curriculum is broad, flexible, coherent, and facilitates progression. It is offered in a variety of modes to suit learners' needs. There is a strong vocational focus and all Welsh Government's Sector Subject Areas are represented at the College.

The curriculum is formulated and reviewed in partnership with the College's stakeholders, the Regional Learning and Skills Partnership (RLSP), sector representative bodies, Coleg Cymraeg Cenedlaethol, 14-19 networks, ACL colleagues, University of Wales: Trinity Saint David, industry, business and local employers. This is supplemented using skills observatory data provided through the RLSP.

The College Curriculum and Quality team report to the Board's Committee for Learners and Standards. This provides a focus for discussion on curriculum and quality policy and development matters.

A range of options are available at all levels which offer diversity and choice to learners. The County's Youth Access programme also provides a partial full-time alternative curriculum for learners at the College who have had challenges in local schools. Almost the entire curriculum offered by the College is accredited, providing opportunities for learners to attain formal qualifications.

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

Partnership and Transformation

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

- From 1 August 2013, the College became part of the University of Wales: Trinity Saint David Group, maximising opportunities for learners and sharing information, expertise and resources. In a similar vein, Coleg Ceredigion became a subsidiary of Coleg Sir Gar on the 1st August 2017.
- Through partnerships within the education authority and with local partner schools (over 16 schools), the breadth and volume of vocational opportunities for 14-19 school pupils is significant.
- Education and employer links are excellent and include the College's longstanding collaboration with CYFLE.
- The college works extensively in delivering provision collaboratively with TLC - the training and learning company.

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STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2024

- The college is working closely with a range of employers, eg, Dwr Cymru, Owens Group, Thermal Earth, COTS, TRJ, Prince's Gate, CM-Days, Ron Skinner & Son, Castell Howell, the AA, Serco, Remploy, Hywel Dda, e- Careers, 4DAcademy etc.
- The College has made a significant contribution to the South West Wales Regional Learning and Skills Partnership and to the Public Service Board.
- Very good partnerships exist with Pembrokeshire College, other FE colleges and a number of other private training providers in the delivery of Work Based Learning (WBL) through the B-WBL Consortium.
- Long standing relationships are continuing with Carmarthenshire County Council in the delivery of Adult and Community Learning.
- Close working relationships exist with the LEA Youth Service and local schools to offer support and courses to learners who are at risk of becoming NEET (Not in Employment, Education or Training).
- Excellent partnership working has been achieved with the Scarlets, National Botanical Gardens Wales and Aberglasney Gardens, some of which act as centres for delivery.
- The College is well represented by members of the executive and College management team on a range of national networks; Regional Learning and Skills Partnership; Adult and Community Learning; 14-19 Networks; Colegau Cymru and Welsh Government.
- Excellent sporting academies in rugby, football and netball provide opportunities for learners at elite levels. These opportunities have resulted from working partnerships with the Welsh Rugby Union; Scarlets; FAW; the Welsh Netball Association, etc.

Quality and Standards

Note that the next section of the report that deals with quality performance, measures and statistics that reflect the combined data for both Coleg Sir Gâr and its subsidiary company Coleg Ceredigion. Coleg Sir Gâr is by far the largest proportion in terms of weighting, with a turnover of circa £ 46 m against £6 m for Coleg Ceredigion (8,500 students vs circa 1,300 students respectively).

The College welcomed Estyn in May 2022 who undertook an inspection of its further education provision. The inspection framework covered 5 key areas: Learning; Well-being & Attitudes to Learning; Teaching & Learning Experiences; Care, Support & Guidance; and Leadership & Management. Whilst graded outcomes are no longer provided by Estyn, the overall outcome for the College was very positive. Good features identified within the report include:

- *"Most learners feel safe and well supported during their time at the college".*
- *"The college has successfully embedded a positive ethos based on the values of respect, unity and professionalism".*
- *"Most learners speak positively about their experiences at the college".*
- *"Most learners develop competent practical skills and many relate theory to practice successfully".*
- *"The college has systems in place to support learners in their understanding of how to keep safe and safeguarding".*
- *"Nearly all teachers know their learners well and foster relationships that encourage and support learners to progress".*
- *"Most teachers skilfully develop learners' digital skills in their vocational or academic subjects".*
- *"Learners demonstrate high levels of competency using digital platforms to store, record, organise and track their own learning".*

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STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2024

- *"Where appropriate teachers support learners' Welsh language skills by engaging them in conversation during classes".*
- *"The College has developed strong partnerships with local schools for 14-16 provision".*
- *"Across nearly all courses, learners benefit from clear progression routes to the next level or into work-based learning, higher education or employment".*
- *"The principal has set a vision that informs the college's strategic priorities well".*
- *"Senior and middle managers show a clear understanding regarding how they support the college's aim to deliver "inspirational learning experiences".*
- *"During the pandemic, a particular strength of the college was its commitment to upskilling teaching and support staff to enable them to effectively support learners to develop strong digital skills and remain on their courses".*
- *"The college senior management team has been effective in improving the learning experiences and outcomes at an underperforming campus. They reacted quickly and put in place robust quality improvement procedures".*
- *"The college has comprehensive quality assurance systems and collects a wide range of data".*

Recommendations for continuous improvement include:

1. Make better use of the extensive data the college has to further refine the evaluation of the impact of provision and initiatives.
2. Strengthen strategies to improve learners' understanding of radicalisation and extremism.
3. Ensure that learners' numeracy skills and wider mathematical skills are developed fully to address their skills gaps.

Estyn Report May 2022

<https://www.estyn.gov.wales/provider/f0009005>

All actions have since been addressed and completed.

Standards achieved by learners

Further Education

The 2022/23 Welsh Government 'national consistent performance measures' (CPM) for FE show completion rates in all levels of provision are at/or above the national comparator, with the exception of Level 3. Successful completion in all levels of provision are below the national comparator, with the exception of Level 1. Prioritising successful completion outcomes will be a key objective for the college this year.

	2021/22				2022/23			
	Completion		Successful Completion		Completion		Successful Completion	
Vocational Programmes	Coleg Sir Gar	National Outcomes	Coleg Sir Gar	National Outcomes	Coleg Sir Gar	National Outcomes	Coleg Sir Gar	National Outcomes
Level 3	87%	87%	74%	74%	87%	88%	76%	79%
Level 3 Access	71%	78%	69%	70%	83%	75%	62%	68%
Level 2	86%	82%	72%	72%	86%	85%	71%	76%
Level 1	84%	81%	76%	76%	85%	83%	77%	77%
Entry/Pre-entry	93%	84%	70%	76%	88%	86%	78%	80%

*Outcomes for 2023/24 are yet to be validated and published by the Welsh Government.

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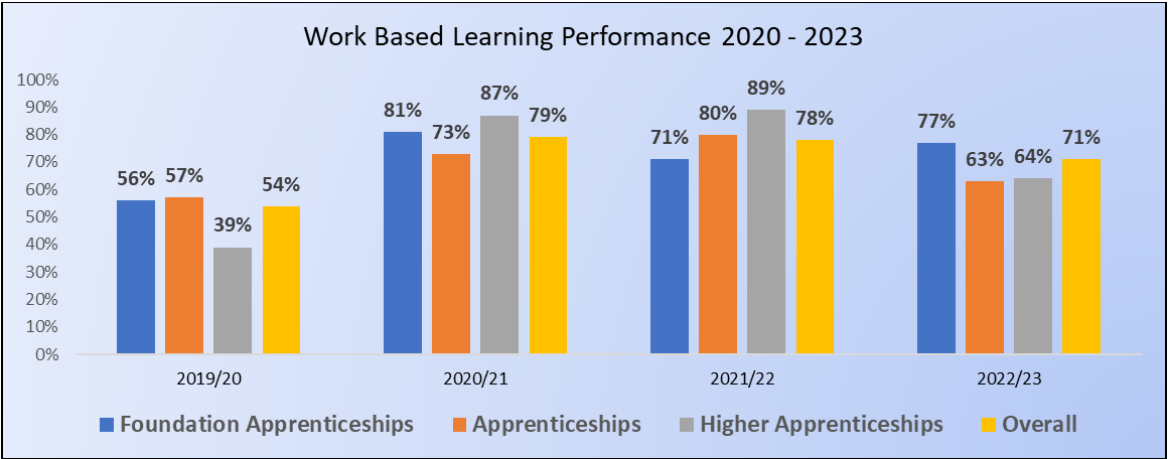
STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2024

Outcomes for academic qualifications are provided in the table below.

AS Level Results (% of Grades Awarded)					A Level Results (% of Grades Awarded)				
Year		A	A-E		Year		A*	A*-A	A*-E
2024	CSG	21.0%	92.0%		2024	CSG	6.0%	25.0%	92.0%
	National Comparator	19.8%	89.3%			National Comparator	6.6%	24.6%	89.3%

Overall outcomes in 2024 for AS (A-E) and A level (A*-E) were excellent and above the national comparator apart from the percentage of A*s awarded at A Level, which at 6% is slightly lower than the national comparator of 6.6%.

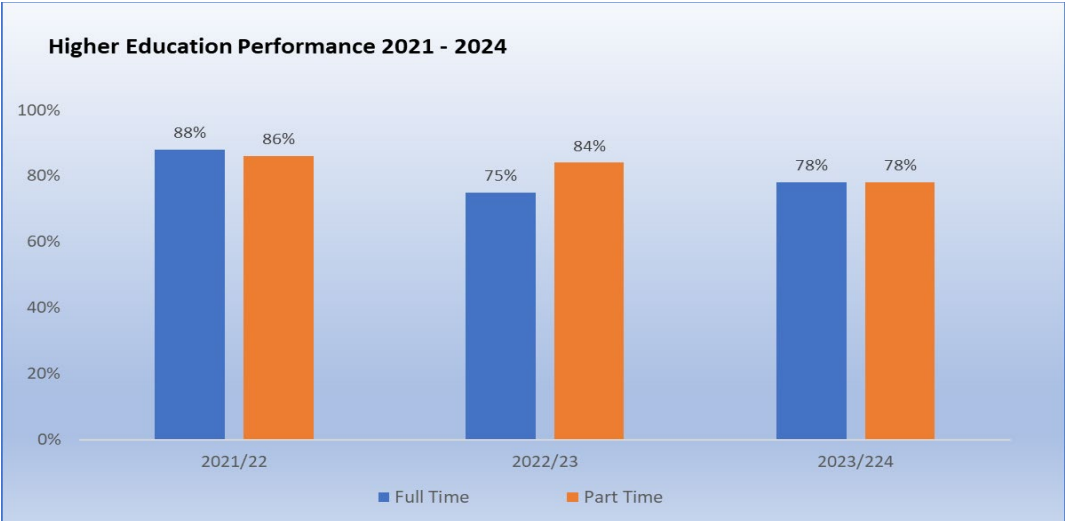
Work-Based Learning



*Outcomes for 2023/24 are yet to be validated and published by the Welsh Government.

2022/23 was a challenging year for WBL with performance dropping at apprenticeships and higher apprenticeships. However, early projection figures for 2023/24 are very encouraging.

Higher Education



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Historically, higher education students have consistently performed well across both full-time and part-time provision. However, the 2022/23 academic year saw an unusual decline, particularly in full-time student success rates. The data for 2023/24, based on estimated outcomes, indicates a potential stabilisation, albeit not at the high levels observed in 2021/22.

Teaching and Learning

The College is committed to achieving the best for its learners. It understands that every learner learns in their own unique way, and is dedicated to providing engaging, innovative, and well-supported learning experiences to help each learner thrive and succeed. The College's Teaching and Learning Strategy is designed to empower staff to provide each and every learner with the opportunity to succeed. In an ever-changing world, it is essential to build resilience in both staff and learners to ensure they are equipped to face future challenges.

The College's approach to teaching and learning, and the learner experience is underpinned by its commitment to all:

- staff being empowered to underpin their pedagogy choices through action research informed processes.
- teaching and learning environments to be digitally enabled and innovative.
- staff being supported to access industry upskilling to nurture and enhance their dual professionalism.
- staff trained and supported to create inclusive and empowering environments based on a culture of coaching.

The College provides bespoke and tailored support for all learners and staff. The significant emphasis on training, motivating and supporting staff was recognised in 2017 when Coleg Sir Gâr was awarded the Association of Colleges Beacon Award for excellence in staff development; in 2019 when it received a Princess Royal Training Award and more recently in 2022 when it again received a Princess Royal Training Award.

Staff actively engage with, and benefit from the College's strong commitment to continuous professional development, reflected in learner outcomes and learner survey results. Central to this process is each teacher's self-assessment of their performance against key criteria, which helps create a personalised teaching profile identifying specific areas for development. After a period of implementation, the self-assessment process is repeated to enable ongoing tailored support and improvement.

The College's Teaching and Learning Team provides excellent support and tailored training to new members of staff, PGCE students and those teaching staff who need support with aspects of their work. Excellence in teaching is highly valued and celebrated through an annual teaching and learning award ceremony.

Health and Wellbeing of Learners

The College is dedicated to fostering a healthy environment that enhances the wellbeing of both learners and staff. In response to increasing needs, it has elevated the focus on wellbeing and mental health. Induction, tutorial, and promotional activities have successfully enhanced learners' understanding of wellbeing, reflecting the College's priority on ensuring their safety, including online safety.

The College provides excellent specialist support for personal wellbeing and mental health. A new referral and assessment procedure has been introduced, focusing on ensuring that learners receive the appropriate support at the right time. Learners who face considerable barriers to learning are referred to mentoring and counselling services. Learner feedback is positive, with the wellbeing team's support playing a crucial role in helping students stay in education and succeed, despite often facing significant personal challenges.

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A strong emphasis on equality and diversity ensures that all learners and staff are treated with respect. Awareness has been effectively raised among both groups through a variety of media and activities that are prominently showcased across the campuses.

Effective measures are in place to safeguard children and vulnerable adults, supported by clear policies and procedures. The College's "be safe" message emphasises the rights of all learners to be free from bullying and harassment, with definitive actions taken to prevent such behaviour. Online safety is also well-supported through dedicated promotions and tutorial activities.

Learner Voice (Further Education)

In 2023/24, the focus of the further education annual learner voice survey was to gauge learner perception of teaching and learning. Overall, learners' perception in relation to their teaching and learning experiences is excellent. Improving the response rate for vocational learners will be prioritised this year.

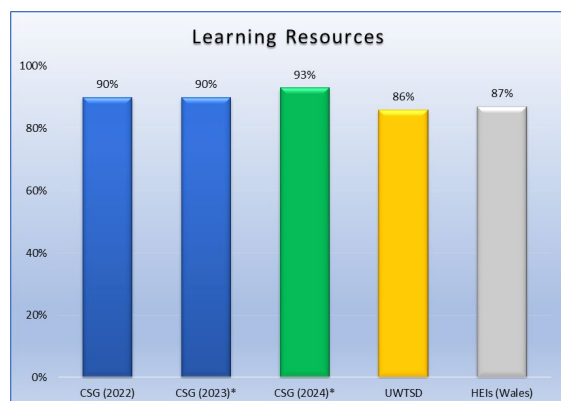
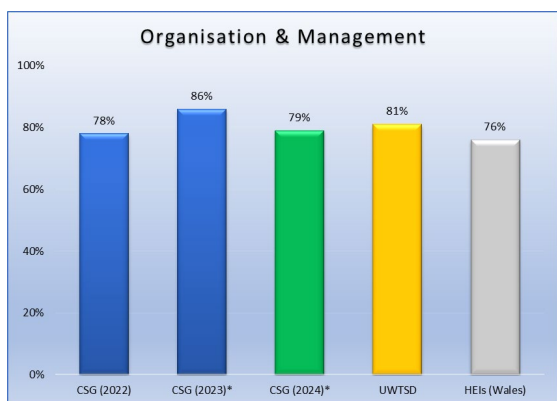
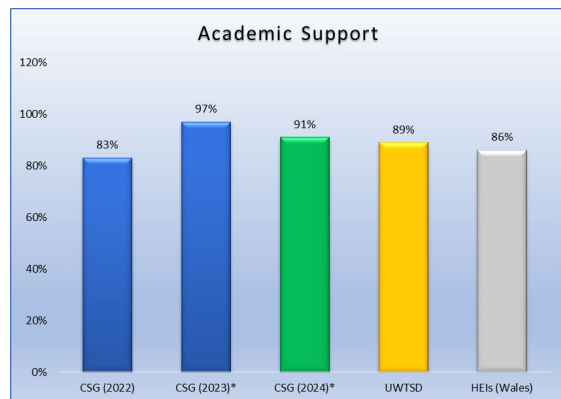
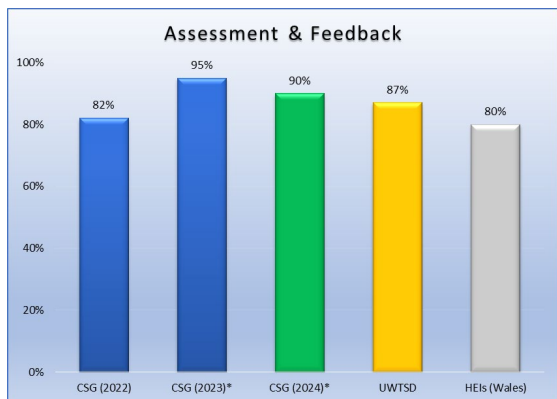
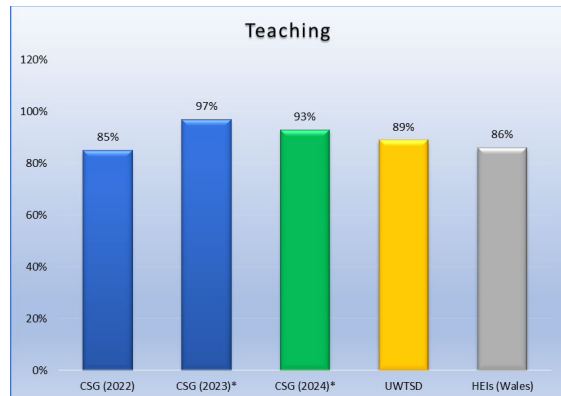
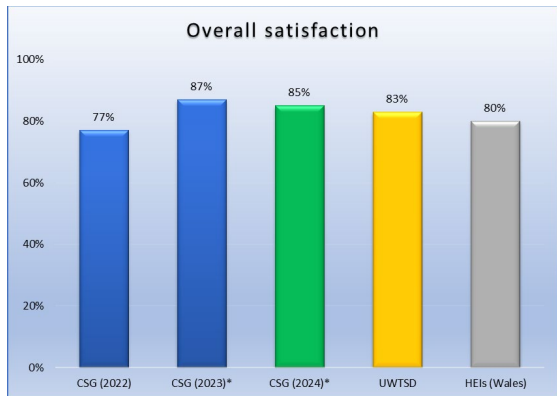
85% or above	75 – 84%	65 – 74%	Below 65%	
Learner Voice Survey (Teaching & Learning) 2023/24		AS & A Level		Vocational
Response Rate		85%		68%
Question	Satisfaction Rate	Response based on % Learners surveyed	Satisfaction Rate	Response based on % Learners surveyed
I feel that my lessons are well planned.	98%	100%	91%	100%
I feel challenged and stretched in my lessons and I have opportunities to improve and learn.	96%	100%	90%	100%
I feel that my lessons have a variety of tasks that keep me interested.	89%	100%	87%	100%
My lessons start with an activity to get me thinking and ends with an activity to reflect on what I have learnt.	83%	100%	75%	100%
My tutor takes a good account of my individual learning needs when planning and delivering my lessons.	92%	100%	92%	100%
Difficult tasks are broken down into smaller steps.	93%	100%	88%	100%
Technology is used well in my lessons which helps me to learn.	92%	100%	93%	100%
Teachers ask questions to encourage me to take part in lessons.	96%	100%	93%	100%
When needed, poor behaviour is challenged respectfully and positively in class.	96%	100%	91%	100%
I am given opportunities to use teacher feedback and self-evaluation activities in order to help me improve my work.	95%	100%	93%	100%
I am given opportunities to work with my fellow learners and to give one another feedback on our work.	92%	100%	93%	100%
I am regularly encouraged to set targets and review my progress.	90%	100%	89%	100%
I receive regular and focussed feedback to help me improve my work.	93%	100%	91%	100%
I receive marked work promptly and I know where to look for my feedback and grades.	94%	100%	89%	100%
My teachers have high expectations of me and I feel supported and challenged to always try my best.	96%	100%	92%	100%
I enjoy learning and feel inspired to succeed.	92%	100%	91%	100%

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STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2024

Learner Voice (Higher Education)

Higher Education students in their final year of study have continued to respond well to the National Student Survey, and excellent student satisfaction scores have historically been achieved in teaching, learning and overall experiences in College. Student satisfaction remains high, with an overall satisfaction rate of 85%. Despite marginal declines, satisfaction scores remain excellent and above the UWTSD and Welsh HEI averages in key categories of the survey: Learning Resources; (93%); Academic Support (91%); Assessment & Feedback (90%); Teaching (93%); and Learning Opportunities (90%).



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Capital Investment and Accommodation (Coleg Sir Gâr only)

Although there were no major building projects or acquisitions during the year, there has been a significant amount capital investment in relation to buildings maintenance, plant, equipment and IT expedited at the college for during 2023/24.

The Future

The College sees a strong future for itself as part of the merged University of Wales: Trinity Saint David ("UWTSD") group and has made a commitment to continuing to offer a strong further education provision across the county.

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

- Improving learner outcomes
- Developing the college as a centre of excellence for teaching and learning
- Meeting the challenges of 'Digital 2030'
- Meeting the requirements of the ALN Bill
- The development of the Welsh Baccalaureate Qualification at Level 3
- Developing more Welsh medium provision
- Maintaining a diversified curriculum portfolio across a range of sectors
- Developing more commercial training
- Developing strategies to cope with pressures in public funding
- Improving, rationalising and developing its estate in partnership with UWTSD and the County Council
- Driving the sustainability agenda on a limited budget

Principal Risks and Uncertainties

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

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

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

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

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

1. Reduction in real terms of government funding

The College relies on government funding, and the current climate is such that there are continuous pressures on this income stream.

This risk is mitigated in a number of ways:

- Concerted effort, drive and focus on creating a more diversified income base;
- Specific focus on quality to ensure a high standard of delivery in all education and training endeavours;

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STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2024

- Maintaining the intake of higher education students. The College already offers a significant higher education provision;
- Working closely with the UWTSD group and Coleg Ceredigion to harmonise operations and remove duplication with a view to reducing costs;
- The operation of a Business Development Unit which has a primary objective of building a sustainable commercial income stream that is not reliant on government funding;
- Focusing on priority sectors which are likely to continue to attract public funds;
- Growing and developing the College's work-based learning provision; and
- Building partnerships with schools and business.

2. Failure to recruit and retain students

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

The risk is mitigated as follows:

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

3. General Economic Conditions : Increasing costs and pay pressure

The college is actively addressing operations to ensure the smooth continuity of operations as well as working closely with Welsh Government during these continued challenging times.

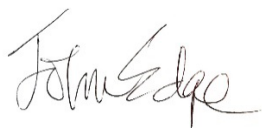
Key Performance Indicators

The College is pleased to confirm that the target of breakeven before defined benefit obligation costs has been achieved with an actual outturn before non-cash defined benefit obligation costs of £ 92,000 surplus (22/23: £414,000 surplus). The surplus for the year after defined benefit obligation costs is £710,000 (deficit of 437,000 in 22/23), with non-cash adjustments being an unusual positive benefit of £618,000 (22/23: £851,000 negative adjustment).

Student numbers remained relatively buoyant for the year, with total FE full time numbers slightly better than in prior years.

The College continues to achieve high standards of quality for its teaching and learning function, and received a good Estyn report in at the last inspection (see Strategic Report). Similarly, National Student Survey reports normally indicate a high level of student satisfaction.

This report was approved by the board on the 12th December 2024 and was signed on behalf of the board by:



Signature

Date: 12th December 2024.....

Mr John Edge

Director

COLEG SIR GÂR

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2024

The directors present their report and the audited financial statements of the Company for the year ended 31st July 2024.

Results and future developments

The results for the year, strategy and future developments of the Company are set out in the Strategic Report on pages 4 to 15.

Dividends

The Company is limited by guarantee. No dividends have been paid or are recommended for the year ended 31st July 2024.

Professional advisers

External auditor: KPMG LLP, Cardiff
Internal auditor : Mazars LLP, Bristol
Banker: Barclays Bank Plc, Llanelli
Solicitor: Eversheds, Hepworth & Chadwick, Cardiff

Directors

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

<u>Directors</u>	<u>% attendance at meetings</u>
Mrs Maria Stedman *# (resigned 07/12/2023)	100 %
John Edge*# (Chair)	100 %
Mrs Abigail Salini*# (appointed 23/03/23)	60 %
Mr Huw Davies*#	60 %
Mr Eifion Griffiths*# (resigned 31/07/2024)	75 %
Mr Delwyn Jones*# (resigned 31/07/2024)	60 %
Mr Alan Smith*#	100 %
Ms Erica Cassin *#	100 %
Mr Ben Francis*#	80 %
Mrs Jacqui Kedward*#	100 %
Mr Mike Theodoulou*#	60 %
Mrs Tracy Senchal*#	20 %
Mr John Williams*#	75 %
Mr Louis Dare *#(appointed 06/10/22)	75 %
Miss Jenna Loweth *# (appointed 01/08/23)	25 %
Mr Peter Spring *# (resigned 31/07/24)	75 %
Andrew Cornish *# (Principal)	100 %

(* non – executive directors)
(# Trustees)

COLEG SIR GÂR

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2024

(continued)

Directors' indemnities

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

Payment performance

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

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

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires Colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95 per cent. The College's performance in paying its suppliers during the year to 31 July 2024 was as follows:-

	2024	2024	2023	2023
	No	£000	No	£000
Total Invoices Received	7,454	25,852	6,946	24,996
Paid on time	5,809	23,123	5,117	22,181
% of total invoices received	78%	90%	74%	89%
Trade Creditors at 31 July - (Note 16)		2,168		2,135
Trade creditor days		31 days		31 days

The College incurred no interest charges under The Late Payment of Commercial Debts (Interest) Act 1998.

Estate developments

The College regularly invests in the maintenance of the estate with planned annual programmes of maintenance carried out during the summer months. Annual budgets include an allocation for such works. No significant capital projects were undertaken in 23/24.

COLEG SIR GÂR

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2024

(continued)

Equal opportunities

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

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

Stakeholder relationships

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

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

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

Staff and student involvement

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

Statement of directors' responsibilities

The Directors are required to present audited financial statements for each financial year under company law. The Directors are responsible for preparing the Strategic Report, the Directors' Report, Public Benefit Statement and Statement of Corporate Governance and Internal Control and the financial statements in accordance with applicable law and regulations.

Within the terms and conditions of the Financial Memorandum between the Welsh Government and the further education institutions, the Directors are required to prepare financial statements and an operating and financial review for each financial year in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education, the Accounts Direction for Further Education Colleges in Wales and the UK's Generally Accepted Accounting Principles including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 College and its profit or loss for that period.

The regulation of the Welsh Further Education sector was transferred from the Welsh Government to Medr, the Commission for Tertiary Education and Research on 1 August 2024. The Audit Code of Practice, Accounts Direction for Further Education Colleges in Wales 2023/24 issued by Welsh Government ("2023/24 Accounts Direction") and Financial Memorandum Management Code issued by the Welsh Government remain in place until superseded by subsequent Medr publications. In

COLEG SIR GÂR

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2024

(continued)

view of this transfer, any reference to the Welsh Government in our report should be read as also referring to Medr.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the College's ability to continue as a going concern, noting the key supporting assumptions or mitigating actions, as appropriate (which must be consistent with other disclosures in the accounts); and
- use the going concern basis of accounting unless they intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

The Directors are also required to prepare a Members' Report which describes what it is trying to do and how it is going about it, including information about the legal and administrative status of the College.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the College's transactions and which disclose, with reasonable accuracy at any time, the financial position of the College and which enable them to ensure that the financial statements are prepared in accordance with relevant legislation including the Companies Act 2006, the Further and Higher Education Act 1992 and Charities Act 2011, and relevant accounting standards. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. They are responsible for taking steps that are reasonably open to them to safeguard the College's assets and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of its website(s); the work carried out by auditors does not involve consideration of these matters and, accordingly, auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors are responsible for ensuring that expenditure and income are applied for the purposes intended by the Welsh Government and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from the Welsh Government, and any other public funds, are used only in accordance with the Financial Memorandum with the Welsh Government and any other conditions that may be prescribed from time to time by the Welsh Government or any other public funder. The Directors must ensure that there are appropriate financial and management controls in place to safeguard public and other funds and ensure they are used properly. In addition, Directors are responsible for securing economical, efficient, and effective management of the College's resources and expenditure so that the benefits that should be derived from the application of public funds from the Welsh Government and other public bodies are not put at risk.

COLEG SIR GÂR

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2024 (continued)

Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 1st August 2023 to 31st of July 2024 (and prior year) :

	<u>Current year</u>	<u>Prior year</u>
Energy consumption to calculate emissions (kwh)	4,435,025	4,465,514
<u>Scope 1 emissions in metric tonnes Co2e</u>		
Gas	595	612
Owned transport	43	45
<u>Total scope 1</u>	<u>638</u>	<u>657</u>
<u>Scope 2 emissions in metric tonnes Co2e</u>		
Electricity	310	300
<u>Scope 3 emissions metric tonnes Co2e</u>		
Business travel employee owned vehicles	58	39
<u>Total Gross emissions in tonnes Co2 e</u>	<u>1,005</u>	<u>996</u>
<u>Intensity ratio tonnes Co2e per student</u>	<u>0.141</u>	<u>0.166</u>

Qualification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting guidelines. We have also used the GHG Reporting Protocol - Corporate Standard and have used the 2024 UK Government's conversion factors for Company Reporting

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes Co2e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

Smart meters are installed across all sites. Solar panels have been installed on 3 of our largest campuses which significantly reduces purchased electricity. Energy saving lightbulbs(LEDs) are installed wherever possible and staff travel is reduced due to a focus on conducting meetings virtually using software such as Teams or Google meet. The college has invested heavily in bicycle storage facilities and operates a Cycle to Work Scheme to encourage this cleaner and healthier means of travel to college. EV (Electric Vehicle) charging points are also installed at all our campuses.

Directors statement of compliance with duty to promote the success of the College

Engaging with our stakeholders (section 172 (1) statement)

The Board of Directors have a duty to promote the success of the Group for the benefit of its members as a whole having regards to the interests of our stakeholders (no shareholders as the company is limited by guarantee) , our students, Welsh Government, our clients, our employees, our relationships with our suppliers and the impact of our operations on the communities in which we operate, and to ensure that we maintain a reputation for high standards of quality, care and business conduct.

Our key stakeholders are our students, Welsh Government, our clients, local businesses, our employees and the communities within which we operate. Our suppliers and regulators are also important stakeholder groups. All key Board decisions consider the impact on relevant stakeholders. Increasingly, stakeholders are looking to understand our performance across multiple areas from performance to services, community engagement, innovation, governance,

COLEG SIR GÂR

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2024

(continued)

workplace practices and corporate citizenship. The Board endeavours to gain an understanding of the perceptions and attitudes of each stakeholder group and the weight they give to different issues. Where the views of different stakeholder groups do not align, the Board must decide on the best course of action to promote the company's long-term success.

Our students

Our students are at the heart of our business and operations. We aim to deliver the best possible standards of education and training as well as a safe, exciting and modern environment to study within coupled with the best possible experience during their time at the college.

Employees

As a service organisation, our employees are key to our business. We want our employees to feel engaged and empowered to deliver great outcomes for our students and indeed all our stakeholders. Staff wellbeing is particularly important to the college and as such we have a college wellbeing manager in post to specifically address both the student and staff wellbeing agenda. There are significant support mechanisms within the college to deal with any concerns that staff may have, and there is regular opportunity for supported professional development open to all who wish to apply. The college works closely with all staff unions to ensure the needs and concerns of staff are addressed and prides itself on having a very strong, collaborative and mutually beneficial relationship in this regard. Staff members also have a representative on the Board of Directors.

Regulators

The college, being a Further Education Institution, works very closely with Welsh Government who are the principal funding body for the majority of the college grant income. Regular qualitative and financial reports are submitted regularly and success is dependent on an open, robust and reciprocal relationship.

The college as a company and charity, also reports via Companies House and the Charity commission.

Suppliers

A strong relationship with Suppliers is essential to ensure the continuity of our operations and thus our ability to service our stakeholders to the highest possible standards. This would include suppliers of product and services across our 5 campuses. We aim to treat our suppliers fairly and pay them within agreed timescales, if not sooner, and always conduct ourselves professionally and to the highest possible standards. We work closely with our suppliers to ensure that they have effective controls in place to protect our students (and stakeholders if applicable) 'health and safety' and the security and privacy of their data.

Communities and environment

We play an active role in the communities in which we operate and take care of the environment. We evaluate the business risks and opportunities associated with climate change, closely managing our environmental impact and actively promoting positive environmental practices.

Employee Involvement and Disabled Employees

The company continues to keep employees informed of matters affecting them and the financial and economic factors affecting the performance of the company. This is achieved through consultations/training sessions, a staff gateway which is continually updated, email, newsletters and social media. Applications for employment by disabled persons are given full and fair consideration.

COLEG SIR GÂR

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2024

(continued)

In the event of employees becoming disabled and being unable to continue within the existing role, every effort is made to retrain them in order that their employment with the college may continue. It

is the policy of the company that training, career development and promotion opportunities should be available to all employees at all times.

Political contributions

Neither the Company nor its subsidiary made any political donations or incurred any political expenditure during the period (2023 – donations £nil).

Other Information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on pages 4 – 15.

Statement of disclosure of information to Auditor

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

Independent auditor

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

Change of Regulator : From Welsh Government to MEDR

In August 2024, MEDR (the Commission for Tertiary Education and Research), a new arms length body, took over responsibility for funding and overseeing tertiary education and research.

This report was approved by the Board on the 12th December 2024 and was signed on behalf of the Board by:



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Mr John Edge
Director

Registered Address: Graig Campus, Sandy Road, Pwll, Llanelli. SA15 4DN

Date: 12th December 2024

COLEG SIR GÂR

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

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

In the opinion of the directors, the Company complies with all of the mandatory provisions of the code so far as they apply to the further education sector, and it has complied throughout the year ended 31 July 2024 and up to the date of this report.

The Board of Directors

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

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

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

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

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

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

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

Appointments to the Board of Directors

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

Search and Governance committee

Throughout the year ended 31 July 2024, the Institution's Search committee comprised four members of the Board of Directors. The committee's responsibilities are to make recommendations to the Board on the selection of directors and co-opted members, and on matters of governance.

COLEG SIR GÂR

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Remuneration Committee

Made up of three Directors, the committee determines the remuneration and conditions of employment of senior post holders, including the Principal. Details of remuneration for the year ended 31 July 2024 are set out in note 6 to the financial statements.

Audit and Risk Management committee

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

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

The Company's internal auditor monitors the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input, and report their findings to management and the Audit and Risk Management committee. The external auditor undertakes the annual Financial Statements audit and reports findings back to the committee. Both the internal and external auditors are key components of the audit & risk management process and are key areas of responsibility for the committee.

Management is responsible for the implementation of agreed audit recommendations, and internal audit undertake periodic follow-up reviews to ensure such recommendations have been implemented. The Audit and Risk Management committee also advises the Company on the appointment of internal and financial statement auditors, and their remuneration for both audit and non-audit work.

Resources and Business Development committee

The Resources and Business Development committee is comprised of eight members. The committee operated in accordance with written terms of reference approved by the Board. The committee meets on a termly basis to review all aspects of planning and resource utilisation in the Company. This would include budgeting, management and financial accounts, treasury and investments, human resources, and estates development and maintenance.

Learner, Curriculum and Skills (and Standards) committee.

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

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

Internal control

Scope of responsibility

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

The Board has delegated the day-to-day responsibility to the Principal for maintaining a sound system of internal control that supports the achievement of the Institution's policies, aims and objectives, whilst safeguarding the public funds and assets for which they are personally responsible, in accordance with the responsibilities assigned to them in the Financial Memorandum between Coleg Sir Gâr and WG. The Principal is also responsible for reporting to the Board any material weaknesses or breakdowns in internal control.

COLEG SIR GÂR

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Internal control (continued)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Institution policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Coleg Sir Gâr for the year ended 31 July 2024 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board reviewed the key risks to which the Institution is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the Institution's significant risks that has been in place for the year ending 31 July 2024 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board.

The risk and control framework

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

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

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

COLEG SIR GÂR

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Review of effectiveness

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

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

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

The senior management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The senior management team and the Audit and Risk Management committee also receive regular reports from internal audit, which include recommendations for improvement. The Audit and Risk Management committee's role in this area is confined to a high level review of the arrangements for internal control. The Board's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit and Risk Management committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2024 meeting, the Board carried out the annual assessment for the year ended 31 July 2024 by considering documentation from the senior management team and internal audit, and taking account of events since 31 July 2024.

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

Statement on regularity, propriety and compliance

The Governing Body has considered its responsibility to notify the Welsh Government of material irregularity, impropriety and non-compliance with the terms and conditions of funding, under the financial memorandum and contracts in place between the College and the Welsh Government. As part of our consideration we have had due regard to the requirements of the financial memorandum and contracts with the Welsh Government.

We confirm on behalf of the Governing Body, that after due enquiry, and to the best of our knowledge, we are able to identify any material irregular or improper use of funds by the College, or material non-compliance with the terms and conditions of funding under the college's financial memorandum and contracts with the Welsh Government.

We confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Welsh Government.

COLEG SIR GÂR

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Going concern

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

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements. After reviewing these forecasts, the Directors are of the opinion that, taking account of severe but plausible downsides, including the anticipated impact of the energy & cost of living crisis, the College will have sufficient funds to meet its liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period). Consequently, the Directors have prepared the financial statements on a going concern basis.

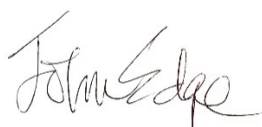
Training and Development – Board of Directors and Heads of Governance

- Prevent training in conjunction with the UWTSD Council in September 2023.
- Colegau Cymru online training on ALN and FE Finances
- All directors and the Clerk undertook online training in : Safeguarding; Prevent and GDPR.

External Review – Governance

An external review of Governance is undertaken at least once every 3 years. The last review was carried out by the Internal Audit Team – Mazars LLP - in May 2022.

By order of the Board



Mr John Edge

Director

Date: 12th December 2024

COLEG SIR GÂR

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLEG SIR GÂR; REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Coleg Sir Gar ("the College") for the year ended 31 July 2024 which comprise the Statement of Comprehensive Income, Statement of Changes in Reserves, Balance Sheet, Cash Flow Statement and related notes, including the Statement of Principal Accounting Policies and Estimation Techniques.

In our opinion the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2024 and of its surplus for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Going concern

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

In our evaluation of the Directors' conclusions, we considered the inherent risks to the College's business model and analysed how those risks might affect the College's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the College's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the College will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Directors, the Audit and Risk Management Committee, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board of Directors and Audit and Risk Management Committee meeting minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

COLEG SIR GÂR

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLEG SIR GÂR; REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk that management may be in a position to make inappropriate accounting entries. On this audit we did not identify a fraud risk related to revenue recognition due to the non-complex revenue recognition criteria, which limits the opportunity to fraudulently manipulate revenue.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation of some of the College-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included journals posted to seldom used accounts and unbalanced journal entries.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Directors (as required by auditing standards), and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the College is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation and further education related legislation, including the Accounts Direction for Further Education Colleges in Wales issued by Welsh Government), distributable profits legislation and pensions legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the College is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, and employment law, recognising the nature of the College's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The Directors are responsible for the other information, which comprises the Public Benefit Statement, Strategic Report, Directors' Report, and the Statement of Corporate Governance and

COLEG SIR GÂR

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLEG SIR GÂR; REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Internal Control. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

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

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the College, or returns adequate for our audit have not been received from branches not visited by us; or
- the College financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

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

Auditor's responsibilities

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

The regulation of the Welsh Further Education sector was transferred from the Welsh Government to Medr, the Commission for Tertiary Education and Research on 1 August 2024. The Audit Code of Practice, Accounts Direction for Further Education Colleges in Wales 2023/24 issued by Welsh Government ("2023/24 Accounts Direction") and Financial Memorandum Management Code issued by the Welsh Government remain in place at the date of our report. In view of this transfer, any reference to the Welsh Government in our report should be read as also referring to Medr.

COLEG SIR GÂR

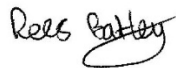
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLEG SIR GÂR; REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

In our opinion, in all material respects:

- monies expended out of Welsh Government grants and other funds from whatever source administered by the College for specific purposes have been properly applied to those purposes and, if appropriate, managed in compliance with all relevant legislation;
- funding received from the Welsh Government (and other bodies and restricted funds where appropriate) has been applied in accordance with the Financial Memorandum between the Welsh Government and further education institutions; and
- the financial statements meet the requirements of the 2023/24 Accounts Direction.

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

This report is made solely to the College's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and paragraph 56(b) of the College's Articles of Association. Our audit work has been undertaken so that we might state to the College's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the College's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Rees Batley (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
66 Queen Square
Bristol
BS1 4BE
13 December 2024

COLEG SIR GÂR

COLLEGE STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2024

	Notes	2024 £000	2023 £000
Income			
Funding body grants	1	29,186	31,379
Tuition fees and education contracts	2	4,947	4,907
Other income	3	11,248	9,892
Investment income	4	754	468
Total income		46,135	46,646
Expenditure			
Staff costs	5	24,895	25,128
Fundamental restructuring costs	5	-	863
Other operating expenses	7	18,487	18,186
Depreciation	11	2,361	2,611
Interest and other finance costs	9	(330)	288
Total expenditure		45,413	47,076
Surplus/(Deficit) before other gains and losses		722	(430)
(Loss)/gain on disposal of fixed assets		0	0
Gain/(Loss) on investments		(12)	(7)
Surplus(Deficit) before tax		710	(437)
Taxation		-	-
Surplus/(Deficit) for the year		710	(437)
Actuarial gain/ (loss) in respect of pension schemes	21	(618)	15,475
Total Comprehensive Income for the year		92	15,038
Represented by :			
Unrestricted comprehensive income		92	15,038
Restricted comprehensive income		0	0
		92	15,038

All amounts are derived from continuing operations.

The accompanying notes are an integral part of the Financial Statements

COLEG SIR GÂR

STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDING 31 JULY 2024

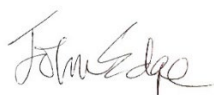
	Income and Expenditure account	Revaluation reserve	Endowments	Total
		£000	£000	£000
Balance at 31st July 2022	13,684	7,957	22	21,663
Surplus/(Deficit) from the income & expenditure account	(437)	-	-	(437)
Other comprehensive income	15,475	-	-	15,475
Transfers between revaluation and income & expenditure reserves	192	(192)	-	0
Actuarial gain/(loss) in respect of the pension scheme	(6,410)			(6,410)
Movement	8,820	(192)	-	8,628
Balance at 31st July 2023	22,504	7,765	22	30,291
Surplus/(Deficit) from the income & expenditure account	710	-	1	711
Other comprehensive income	(618)	-	-	(618)
Transfers between revaluation and income & expenditure reserves	192	(192)	-	0
Movement	284	(192)	1	93
Balance at 31st July 2024	22,788	7,573	23	30,384

COLEG SIR GÂR

BALANCE SHEET AS AT 31 JULY 2024

		2024	2023
	Notes	£000	£000
Non-current assets			
Intangible fixed assets	10	-	-
Tangible fixed assets	11	28,778	30,088
Investments	12	236	248
Total fixed assets		29,014	30,336
Current assets			
Stocks	14	184	155
Trade and other receivables	15	3,625	2,013
Investments	13	17	17
Cash and cash equivalents	25	15,139	18,038
Total current assets		18,965	20,223
Less: Creditors: amounts falling due within one year	16	(7,396)	(8,697)
Net current assets		11,569	11,526
Total assets less current liabilities		40,583	41,862
Less: Creditors: amounts falling due after more than one year	17	(9,669)	(10,581)
Less: Provisions			
Defined benefit (obligation)/asset	21	0	0
Other provisions	18	(530)	(990)
Total net assets		30,384	30,291
Restricted reserves :			
Income and expenditure reserve - Endowment reserve	20	23	22
Unrestricted reserves :			
Income and expenditure reserve - unrestricted		22,788	22,504
Revaluation reserve		7,573	7,765
Total unrestricted reserves		30,361	30,269
Total reserves		30,384	30,291

The financial statements on pages 32 to 62 were approved and authorised for issue by the Board on the 12th December 2024 and were signed on its behalf on that date by:



Chair: _____
Date : 12th December 2024
Mr John Edge



Director: _____
Date: 12th December 2024
Mr Andrew Cornish

Company registration no.: 8539630
Charity registration no.: 1152522

COLEG SIR GÂR

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2024

	Notes	2024 £000	2023 £000
Net cash inflow/(outflow) from operating activities	22	(1,848)	2,411
Cash flows from financing activities	23	488	215
Cash flows from investing activities	24	(1,539)	(3,414)
(Decrease)/Increase in cash and cash equivalents in the period		(2,899)	(788)
Cash and cash equivalents at 1 August	25	18,038	18,826
Cash and cash equivalents at 31 July	25	15,139	18,038

COLEG SIR GÂR

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES FOR THE YEAR ENDED 31 JULY 2024

Basis of preparation

Coleg Sir Gâr is a company limited by guarantee and incorporated and domiciled in the United Kingdom.

These financial statements have been prepared in accordance with the Companies Act as adapted to the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), in accordance with Financial Reporting Standard 102 – “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (FRS 102), the Companies Act 2006 and with the applicable WG Circular (2023-24). Coleg Sir Gâr is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the College's accounting policies.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention as modified by the use of previous valuations of certain fixed assets as deemed cost at transition to FRS 102 as at 1 August 2014. The accounting rules set out below have been applied consistently.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Going concern

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

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements. After reviewing these forecasts, the Directors are of the opinion that, taking account of severe but plausible downsides, including the anticipated impact of energy costs & the cost of living crisis, the College will have sufficient funds to meet its liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period). Consequently, the Directors have prepared the financial statements on a going concern basis.

Recognition of income

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. The recurrent grants from Welsh Government represent the funding allocations attributable to the current financial year and are credited direct to the income and expenditure account. Recurrent grants are recognised in line with planned activity. Any under-achievement against this planned activity is adjusted in-year and reflected in the level of recurrent grant recognised in the income and expenditure account.

Income from tuition fees is stated gross and recognised in the period for which it is received and includes all fees payable by students or their sponsors. Where the amount of tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income

COLEG SIR GÂR

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES FOR THE YEAR 31 JULY 2024 (continued)

Recognition of income (continued)

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

Donations with restrictions are recognised when relevant conditions have been met; in many cases recognition is directly related to expenditure incurred on specific purposes. Donations which are to be retained for the benefit of the institution are recognised in endowments; other donations are recognised by inclusion as other income in the income and expenditure account.

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

Non-recurrent grants from the Welsh Government or other government bodies received in respect of the acquisition or construction of fixed assets are treated as deferred capital grants and amortised in line with depreciation over the life of the assets under the accrual method as permitted by FRS 102.

Income from the sale of goods or services is credited to the income and expenditure account when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

Accounting for post-employment benefits

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

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

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised as an actuarial movement in other comprehensive income. Actuarial gains and losses on liabilities are also recognised immediately in other comprehensive income. Where the calculation results in a net asset, recognition is limited to the extent to which the college is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. The directors have assessed that the Company is not able to recover the surplus through either reduced future contributions or through refunds from the plan, and as such, the asset ceiling has been applied reducing the surplus to NIL.

COLEG SIR GÂR

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES FOR THE YEAR 31 JULY 2024 (continued)

Short term employment benefits

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

Enhanced pensions

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

Tangible fixed assets

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

(a) Land and buildings

Freehold buildings are depreciated over their expected useful economic life to the College of between ten and fifty years. Leasehold land and buildings are depreciated over 50 years or, if shorter, the period of the lease. Freehold land is not depreciated.

Where land and buildings are acquired with the aid of specific grants they are capitalised and depreciated as above. The related grants are credited to a deferred income account within creditors and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year.

Assets in the course of construction are not depreciated until the College has full use of the asset, at which time they are depreciated in accordance with the policy stated above.

Finance costs, which are directly attributable to the construction of land and buildings, are not capitalised as part of the cost of those assets.

On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings, which were revalued in 1998, as deemed cost but not to adopt a policy of revaluations of these properties in the future.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable. An annual review of impairment indicators is carried out annually at the financial statement reporting date.

(b) Equipment (including fixtures and fittings)

Equipment costing less than £3,000 per individual item is written off to the income and expenditure account in the period of acquisition. Grouped items, which are in aggregate above the threshold but individually under, will be reviewed specifically to determine the approach. All other equipment is capitalised at purchase cost. Equipment inherited from the Local Education Authority has not been included in the balance sheet, as it was their policy to charge the full purchase cost of the asset to the income and expenditure account in the year of acquisition.

Equipment is depreciated over its useful economic life as follows:

General equipment	5% - 25 % per annum
Computer equipment	20% - 33 % per annum
Fixtures and fittings	10% - 25 % per annum

COLEG SIR GÂR

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES FOR THE YEAR 31 JULY 2024 (continued)

Where equipment is acquired with the aid of specific grants it is capitalised and depreciated in accordance with the above policy. The related grants are credited to a deferred income account within creditors and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year.

Intangible fixed assets

The College has acquired a number of milk quotas for use in conjunction with the College's farming activities. The cost of the milk quotas has been classified as an intangible fixed asset. Milk quotas are amortised over a 10 year period on a straight-line basis.

Leased assets

Costs in respect of operating leases are charged on a straight line basis over the lease term. Any lease premiums or incentives relating to leases signed after 1st August 2014 are spread over the minimum lease term. The College has taken advantage of the transitional exemptions in FRS 102, and has retained the policy of spreading lease premiums and incentives to the date of the first market rent review for leases signed before 1st August 2014.

Leasing agreements which transfer to the College substantially all of the risks and rewards of ownership of an asset are treated as if the asset had been purchased outright. These are capitalised at their fair value at the inception of the lease, and depreciated over the shorter of the lease term or the useful economic lives of equivalently owned assets. The capital element outstanding is shown as obligations under finance leases.

The finance charges are allocated over the period of the lease in proportion to the capital element outstanding. Where finance lease payments are funded in full from funding council capital equipment grants, the associated assets are designated as grant-funded assets.

Investments

Investments in subsidiaries are accounted for at cost less impairment in the financial statements.

Listed investments held as non-current assets and current asset investments, are stated at fair value, with movements recognised in Comprehensive Income. Investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment in their value, estimated using a valuation technique.

Stocks

Stocks are stated at the lower of their cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

Cash and cash equivalents

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

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

Maintenance of premises

The College has a ten-year rolling long-term maintenance plan which forms the basis of the ongoing maintenance of the estate. The cost of long-term and routine corrective maintenance is charged to the income and expenditure account as incurred.

COLEG SIR GÂR

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES FOR THE YEAR 31 JULY 2024 (continued)

Financial assets, liabilities and equity

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

All loans, investments and short term deposits held by the College are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost. Loans and investments that are payable or receivable within one year are not discounted.

Foreign currency translation

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

Taxation

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

The College receives no similar exemption in respect of Value Added Tax.

The College's subsidiary company CCTA Enterprises Ltd is subject to corporation tax and VAT in the same way as any commercial organisation.

Provisions

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

Livestock

Livestock is treated as a fixed asset where it is intended for use on a continuous basis for the College's activities. Livestock is revalued on an annual basis with no depreciation charge being made. The movement between successive valuations is charged or credited to the income and expenditure account.

Agency costs

The College acts as an agent in the collection and payment of financial contingency funds and educational maintenance allowances. Related payments received from Welsh Government and subsequent disbursements to students and institutions are excluded from the income and expenditure of the College where the College is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Accounting for charitable donations and endowments

Non-exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised in income when the College is entitled to the funds.

COLEG SIR GÂR

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES FOR THE YEAR 31 JULY 2024 (continued)

Accounting for charitable donations (continued)

Income is retained within the restricted reserve until such time that any donor imposed restrictions attached to the donations and endowments are met at which time the income is released to general reserves through a reserves transfer. Donations with no restrictions are recognised in income when the College is entitled to the funds.

Investment income and movements in fair value of endowments are recorded in income in the year in which they arise and as either restricted or unrestricted income according to the terms of the restrictions applied to the individual endowment funds.

There are three main types:

1. Unrestricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the institution
2. Restricted expendable endowments – the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the institution can convert the donated sum into income
3. Restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective

Judgements in applying accounting policies and key sources of estimation uncertainty

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

- Determine whether there are indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- **Local Government Pension Scheme**

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 July 2024. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS

1 Funding body grants

	2024	2023
	£000	£000
Recurrent grant	22,224	24,313
Work based learning	4,719	3,858
Specific grants	923	1,735
Capital grants:		
Buildings	459	460
Equipment	861	1,013
	29,186	31,379

2 Tuition fees and education contracts

	2024	2023
	£000	£000
UK higher education students	3,673	3,598
UK further education students	151	33
Non-EU students	-	-
Total tuition fees paid by or on behalf of individual students	3,824	3,631
Education contracts		
Higher Education contracts	620	620
Other contracts	503	656
	4,947	4,907

3 Other income

	2024	2023
	£000	£000
Residencies and catering	903	849
Non-government capital grants	-	-
Farming activities	1,407	1,740
Other income-generating activities	3,047	1,661
Other grant income:		
European funds	-	2,515
Other funds	5,660	2,899
Other income	231	228
	11,248	9,892

4 Investment income

	2024	2023
	£000	£000
Interest receivable	754	468
	754	468

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

5 Staff costs

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

	2024 Number	2023 Number
Teaching departments:		
Teaching staff	211	219
Other staff	21	21
	232	240
Teaching support services	13	15
Other support services	24	26
Administration and central services	95	95
Premises	17	19
Other income-generating activities	88	88
Catering and residences	-	-
Farm	10	10
	479	493
Based on an average Headcount basis : Teaching staff	286	323
Support Staff	291	336
Staff costs for the above persons:		
	2024	2023
	£000	£000
Teaching departments		
Teaching staff	12,957	12,800
Other staff	660	655
	13,617	13,455
Teaching support services	552	563
Other support services	971	968
Administration and central services	4,871	4,725
Premises	679	640
Other income-generating activities	4,010	3,849
Catering and residences	-	-
Farm	351	314
Restructuring costs	34	863
Pension costs	55	12
FRS 102 (Section 28 –Pension Cost)	(247)	592
Holiday pay accrual	2	10
	24,895	25,991
	2024	2023
	£000	£000
Wages and salaries	19,042	18,752
Social security costs	1,860	1,843
Other pension costs	3,959	4,533
	24,861	25,128
Restructuring costs	34	863
	24,895	25,991

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

5 Staff costs (continued)

The number of staff, including key management personnel (as defined in note 6), who received emoluments in the following ranges were:

	2024 Number	2023 Number
£60,001 - £65,000	3	3
£65,001 - £70,000	4	4
£70,001 - £75,000	2	-
£75,001 - £80,000	-	-
£80,001 - £85,000	-	-
£85,001 - £90,000	-	2
£90,001 - £95,000	-	1
£95,000 - £100,000	2	2
£100,000 - £105,000	1	-
£105,000 - £110,000	-	-
£110,000 - £115,000	-	-
£175,000 - £180,000	1	1
	13	13

A pay award of 5 % was approved by the Board and paid with effect from 1 August 2023 for all staff, excluding the Principal who received 0 % (2023: 6.5 %). For these purposes, emoluments include taxable benefits in kind but not employer pension costs. There were no staff within the £ 105,000 - £ 175,000 range.

6 Key management personnel emoluments

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the College Leadership Team which comprises the Principal, and vice principals.

The number of key management personnel, including the Principal, was 4 (2023: 4).

	2024 Number	2023 Number
£85,001 - £90,000	-	-
£90,001 - £95,000	-	1
£95,000 - £100,00	2	2
£100,001 - £ 105,000	1	-
£175,000 - £ 180,000	1	1
	4	4

Key management personnel emoluments are made up as follows:

	2024 £	2023 £
Salaries	471,044	464,778
Benefits in kind	4,973	3,598
	476,017	468,376
Pension contributions	114,196	106,424
Total emoluments	590,213	574,800

The above emoluments include amounts payable to the Principal (who is also the highest paid member of the key management) of:

	2024 £	2023 £
Salaries	173,595	172,974
Benefits in kind	4,500	3,598
	178,095	176,572
Pension contributions	44,000	40,960
Total emoluments	222,095	217,532

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

The pension contributions in respect of the Principal and other senior post-holders are in respect of employer's contributions to the Local Government and Teachers Superannuation Schemes and are paid at the same rate as for other employees.

The Board members, other than the Principal and staff members, did not receive any payment from the College other than the reimbursement of travel and subsistence expenses of £1,635 (2023: £497) incurred in the course of their duties.

The Principal didn't receive a pay increase in 2024 (2023: 6.5 %), but other higher paid staff (including key management personnel), received a pay increase of 5% during the year (2023: 6.5%). No additional bonuses or other salary enhancements were awarded to key management personnel or other higher paid staff (2023: nil). The Principal's salary, as a multiple of the median of all employees pay (all full and part time staff but excluding agency workers) was 5.3 in 2024 (2023 : 5.5). Similarly, the multiple based on all emoluments was 5.5 in 2024 (2023 : 5.7).

The remuneration of the Principal is benchmarked on typical Further Education institutions of a similar size and complexity and reflects the challenges and magnitude of the role. Coleg Sirgar, combined with its' subsidiary company, Coleg Ceredigion, is a large company with a combined turnover of over £ 50 m with a staff headcount of over a 650, split across a very diverse area; indeed, crossing 2 counties : Carmarthenshire and Ceredigion. The task of managing the 7 sites, so widely dispersed, is complicated and challenging.

Key performance measures would include achieving the highest possible standards of quality in terms of our teaching and learning operation whilst providing an exciting, innovative and inclusive environment for students and staff to work within, and at all times to do so within the resources provided.

A constant challenge is to achieve efficiency of operations, combined with a drive to seek out and secure new sources of income where possible. This can only be achieved by working with all the college stakeholders, of which there are many, and ensuring a harmonious, collaborative and fair environment to all.

In addition, since the college is part of a wider group as a subsidiary of the University of Wales : Trinity Saint David, the Principal plays an important role in terms of working closely with the university to achieve mutually beneficial planned and agreed objectives, designed to create the highest level of teaching quality and learner experience whilst facilitating a lifelong learning culture and environment.

The Principal reports directly to the Board of Directors who are ultimately responsible for the performance of the college. The Directors also evaluate and assess the Principal's effectiveness in terms of managing the college and similarly, the remuneration package for the role.

The Directors have carried out an assessment with regards the Principal's salary and believe, that the salary is commensurate with the role at the college. To derive this conclusion, an assessment of the size, complexity, challenges and responsibility would have been undertaken, along with a benchmarking exercise of other FE colleges of similar size and complexity.

Severance Payments

The college paid 1 severance payment in the year, disclosed in the following bands :

	2024 Number
£0 - £25,000	-
£25,001 - £50,000	1
£50,001 - £100,00	-
£100,001 - £ 150,000	-
£150,000 +	-
	1

Included in staff restructuring costs is a special severance payment totalling £34,000.

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

Trade union facility Time

The Trade Union (Facility Time Publication Requirements) Regulations 2017) require the college to publish information on facility time arrangements for trade union officials at the college.

Number of Employees who were relevant union officials during 23-24 : 15 (FTE : 13.16)

	<u>Percentage of time</u>	<u>No of Employees</u>
Percentage of time spent on facility time	0 - 1%	-
	1 - 50 %	15
	50 - 100 %	-
Total Facility time		£ 33,579
Total pay for union representatives		£ 622,876
Percentage of pay spent on facility time		5.39 %

Time spent on paid trade union activities as a percentage of total paid facility time 5.39 %

7 Other operating expenses

	2024	2023
	£000	£000
Teaching departments	1,242	1,673
Teaching support services – libraries & resource centres	52	52
- examination fees	792	643
- student transport	1,263	1,038
Other support services	46	51
Administration and central services	8,001	7,186
General education expenditure	336	376
Premises:		
Running costs	1,517	1,252
Routine maintenance	969	1,366
Rents and leases	139	152
Planned maintenance	-	-
Other income generating activities	32	31
Catering and residence operations	1,056	893
Farming activities	910	1,135
Franchised provision	875	835
Irrecoverable value added tax	1,257	1,503
	18,487	18,186

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

Other operating expenses include:

	£000	£000
Auditor's remuneration:		
Financial statements audit	40	38
Other services provided by the financial statements auditor (regulatory return services)	6	6
Internal audit	22	22
Registration fees	82	83
Hire of other assets – operating leases	128	149

8 Costs in respect of overseas activities

The following costs were incurred during 2023-2024 in respect of overseas activities, which were carried out in accordance with the strategy approved by the governing body:

	Travel and Accommodation £	Subsistence Hospitality £	Other Costs £	Number of Visits
Members	-	-	-	-
Key management personnel	-	190	-	4
Other staff	-	200	-	1
	-	390	-	5

9 Interest and other finance costs

	2024 £000	2023 £000
On finance leases	41	29
Pension finance costs (see note 21)	(371)	259
	(330)	288

10 Intangible fixed assets

	Milk quota £000
Cost	
At 1 August 2023 and 31 July 2024	302
Accumulated Amortisation	
At 1 August 2023	302
Charge for the year	-
At 31 July 2024	302
Net book value	
At 31 July 2024	-
At 31 July 2023	-

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

11 Tangible fixed assets

	Freehold land and buildings £000	Equipment £000	Fixtures and fittings £000	Livestock £000	Total £000
Cost or valuation					
At 1 August 2023	43,927	9,951	3,984	381	58,243
Additions	52	480	400	119	1,051
Revaluation	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 July 2024	43,979	10,431	4,384	500	59,294
Accumulated Depreciation					
At 1 August 2023	16,892	7,853	3,410	-	28,155
Charge for the year	921	1,087	353	-	2,361
Eliminated on disposal	-	-	-	-	-
At 31 July 2024	17,813	8,940	3,763	-	30,516
Net book value					
At 31 July 2024	26,166	1,491	621	500	28,778
At 31 July 2023	27,035	2,098	574	381	30,088

Analysis of net book value at 31 July 2024

Inherited	7,574	-	-	-	7,574
Financed by capital grant	9,930	738	-	-	10,668
Other	8,662	753	621	500	10,536
	26,166	1,491	621	500	28,778

Land and buildings were revalued in 1998 at depreciated replacement cost by Cooke & Arkwright, a firm of independent chartered surveyors. On adoption of FRS 102, revalued properties have been treated as deemed cost. The analysis of cost or valuation of the tangible fixed assets as at 31 July 2024 is as follows:

Cost or valuation at 31 July 2024 represented by:

Valuation in 1998 (see above)	19,716	-	-	500	20,216
Cost	24,263	10,431	4,384	-	39,078
	43,979	10,431	4,384	500	59,294

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

11 Tangible assets (continued)

Freehold land and buildings

	Occupied for own use £000	Investment properties £000	Properties under development £000	Total £000
Cost or valuation				
At 1 August 2023	43,927	-	-	43,927
Transferred in the year	-	-	-	-
Additions	52	-	-	52
Disposals	-	-	-	-
At 31 July 2024	43,979	-	-	43,979
Accumulated Depreciation				
At 1 August 2023	16,892	-	-	16,892
Charge for the year	921	-	-	921
Disposals	-	-	-	-
At 31 July 2024	17,813	-	-	17,813
Net book value				
At 31 July 2024	26,166	-	-	26,166
At 31 July 2023	27,035	-	-	27,035
Analysis of net book value at 31 July 2024				
Inherited	7,574	-	-	7,574
Financed by capital grant	9,930	-	-	9,930
Other	8,662	-	-	8,662
	26,166	-	-	26,166

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NOTES TO THE FINANCIAL STATEMENTS (continued)

12 Non-current investments

	2024 College £000	2023 College £000
Investment in subsidiary company	-	-
Other non-current asset investments	236	248
	236	248

The College's investments are in the following subsidiaries:

Name of company	Holding	Country of Incorporation	Activity
Coleg Ceredigion	Limited by Guarantee	Wales	Further Education College
CCTA Enterprises Limited	100%	Wales	Dormant
Rareblend Limited	100%	Wales	Dormant

Other non-current asset investments

	Listed investments £000	Other investments £000	Total £000
Cost or valuation			
At 1 August 2023	45	203	248
Additions	-	-	-
Revaluation	(12)	-	(12)
At 31 July 2024	33	203	236
Cost or valuation at 31 July 2024 represented by:			
Valuation	33	-	33
Cost	-	203	203
	33	203	236

13 Current investments

	2024 £000	2023 £000
Endowment assets		
Balance at 1 August	17	17
Increase in value of investments	-	-
Income for the year	-	-
Expenditure for the year	-	-
Balance at 31 July	17	17
Represented by:		
COIF Charities Investment Fund Holdings	17	17
	17	17

14 Stock

	2024 £000	2023 £000
Livestock for resale	184	155
Other stock	-	-
	184	155

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

15 Trade and other receivables

	2024 £000	2023 £000
Amounts falling due within one year:		
Trade debtors	158	301
Amounts owed by group undertakings : subsidiaries	-	-
other	168	104
Prepayments and accrued income	3,299	1,608
	3,625	2,013

Note: Amounts owed by group undertakings are repayable on demand and interest free. Other refers to the parent company UWTSD

16 Creditors: amounts falling due within one year

	2024 £000	2023 £000
Obligations under finance leases	161	152
Payments received in advance	1,320	2,593
Trade payables	1,517	1,340
Amount owed to group undertakings : subsidiary	-	14
Amount owed to group undertakings Other	197	106
Taxation and social security	454	689
Accruals and deferred income	2,427	2,330
Deferred income – government capital grants	1,320	1,473
	7,396	8,697

Note: Amounts owed to group undertakings are repayable on demand and do not accrue interest

17 Creditors: amounts falling due after more than one year

	2024 £000	2023 £000
Bank loans and overdrafts	-	-
Obligations under finance leases	321	202
Deferred income - government capital grants	9,348	10,379
Total	9,669	10,581

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

17 Creditors: amounts falling due after more than one year (continued)

Finance leases

	2024 £000	2023 £000
The net finance lease obligations to which the institution is committed are :		
In one year or less	161	152
Between two and five years	321	202
In five years or more	-	-
	482	354

18 Other provisions

	Enhanced Pension Provision £000	HE Fees £000	ESF £000	Total £000
At 1 August 2023	542	229	219	990
Utilised in the period	(66)	-	-	(66)
Released in the period	-	(229)	(219)	(448)
Transferred from income and expenditure account	54	-	-	54
At 31 July 2024	530	-	-	530

The ESF provision relates to a potential repayment of European Funds in relation to the overhead methodology. The HE Fees is in relation to a potential reclaim of course fees by students. The enhanced pension provision relates to staff who have already left the College's employ and commitments for reorganisation costs from which the College cannot reasonably withdraw at the balance sheet date. The provision has been recalculated in accordance with the latest LSC circular. The principal assumptions for this calculation are:

	2024	2023
Interest rate	4.8 %	5.0 %
Net interest rate	2.8 %	2.8 %

COLEG SIR GÂR
NOTES TO THE FINANCIAL STATEMENTS (continued)

19 Deferred income – capital grants

	2024	2023
	£000	£000
Amounts falling due within one year	1,320	1,473
Amounts falling due after more than one year	9,348	10,379
	10,668	11,852

The movement in capital grants is as follows:

	WG	Other grants	Total
	£000	£000	£000
At 1 August 2023			
Land and buildings	8,127	2,263	10,390
Equipment	1,283	179	1,462
Cash received			
Land and buildings	-	-	-
Equipment	136	-	136
Released to income and expenditure account			
Land and buildings	(354)	(105)	(459)
Equipment	(706)	(155)	(861)
At 31 July 2024			
Land and buildings	7,773	2,158	9,931
Equipment	713	24	737
	8,486	2,182	10,668

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

20 Endowment reserves

Year ended 31st July 2024

	Unrestricted Permanent £000	Restricted Expendable £000	Restricted Permanent £000	Restricted Total £000	Total £000
Balance at 1 August 2023					
Capital	-	22	-	22	22
Accumulated interest	-	-	-	-	-
Total	-	22	-	22	22
Increase in market value of investments	-	2	-	2	2
Expenditure for the year	-	(1)	-	(1)	(1)
Balance at 31 July 2024					
Capital	-	23	-	23	23
Accumulated interest	-	-	-	-	-
Total	-	23	-	23	23
Representing:					
Fellowship and scholarship funds	-	22	-	22	22
Prize funds	-	1	-	1	1
Total	-	23	-	23	23

Year ended 31st July 2023

	Unrestricted Permanent £000	Restricted Expendable £000	Restricted Permanent £000	Restricted Total £000	Total £000
Balance at 1 August 2022					
Capital	-	22	-	22	22
Accumulated interest	-	-	-	-	-
Total	-	22	-	22	22
Increase in market value of investments	-	1	-	1	1
Expenditure for the year	-	(1)	-	(1)	(1)
Balance at 31 July 2023					
Capital	-	22	-	22	22
Accumulated interest	-	-	-	-	-
Total	-	22	-	22	22
Representing:					
Fellowship and scholarship funds	-	21	-	21	21
Prize funds	-	1	-	1	1
Total	-	22	-	22	22

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

21 Pension and similar obligations

The College's employees belong to two principal pension schemes, the Teachers Pension Scheme (TPS) which is unfunded and the Local Government Pension Scheme (LGPS) which is funded. Both are multi-employer defined benefit plans, the assets of the schemes being held in separate trustee-administered funds.

The total pension cost for the College was:

	2024	2023
	£000	£000
TPS: Contributions paid	2,521	2,333
LGPS: Charge to the Statement of Comprehensive Income:		
Contributions paid	1,630	1,596
FRS 102 charge	(247)	592
Staff restructuring (see below)	55	12
Total pension cost	3,959	4,533
	2024	2023
	£000	£000
Staff restructuring		
Benefits recharged during the year by the LGPS	67	61
Other staff restructuring costs	(12)	(49)
	55	12
	2024	2023
	£000	£000
Total Contributions to LGPS		
Benefits recharged during the year by the LGPS	67	61
Employer normal contributions	1,630	1,596
	1,697	1,657

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

LGPS (Local Government Pension Scheme)

The last full actuarial valuation was performed on 31 March 2022 at which date the market value of assets of the scheme was £3,243 million. The actuarial value of the assets represented 113 % of the fund's accrued liabilities after allowing for future increases in earnings. This equates to a surplus of £372 m.

The funding objective as set out by the FSS is to achieve and maintain a solvency funding level of 100 % of liabilities. In line with the FSS, where a shortfall exists at the effective date of the valuation a deficit recovery plan will be put in place which requires additional contributions to correct the shortfall. The directors have assessed that the Company is not able to recover the surplus through either reduced future contributions or through refunds from the plan, and as such, the asset ceiling has been applied reducing the surplus to NIL. At this valuation, the average recovery period for employers in deficit is 9 years and for employers in surplus 14 years (subject to the surplus buffer).

The agreed contribution rate for the College year commencing 1 April 2024 is 19.8 % (2023: 20%), plus a fixed monthly payment of £0 (2023 : £0 per annum). The next scheme valuation will be on the 31st March 2025 with new contribution rates applicable from April 2026

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

21 Pension and similar obligations (continued)

An actuarial valuation of the scheme was also carried out at 31 July 2024, 31 July 2023 and at 31 July 2022 by a qualified independent actuary using the projected unit method. The major assumptions used by the actuary were:

	2024	2023	2022
Rate of inflation - CPI	2.60%	2.70%	2.70%
Rate of increase in salaries	4.10%	4.20%	4.20%
Rate of increase in pensions	2.70%	2.80%	2.80%
Discount rate	4.90%	5.10%	3.50%

Post Retirement Mortality assumptions

Beginning of period:

- Non-retired members SAPS 3 CMI 22 (1.5%) (105 % males, 97 % females)
- Retired Members SAPS 3 CMI 22 (1.5 %) (102%males,97% females)

End of period:

- Non-retired members SAPS 4 CMI 23 (1.5%) (103% males ,97% females)
- Retired members SAPS 4 CMI 23 (1.5 %) (100% males,97 % females)

Life expectancy	Years	Years	Years
Retiring Today - Males	21.4	21.4	23.0
Retiring Today - Females	23.8	23.7	24.9
Retiring in 20 years' time - Males	22.8	22.8	24.4
Retiring in 20 years' time – Females	25.6	25.5	27.1

Estimated Asset allocation:

	2024	2023	2022
	Split	Split	Split
	%	%	%
Equities	73.2	73.1	70.4
Government bonds	0.0	0.2	1.4
Other bonds	9.3	8.5	7.3
Property	10.8	13.2	15.8
Cash/Other	6.7	5.0	5.1
	100.0	100.0	100.0

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

21 Pension and similar obligations (continued)

The following amounts at 31 July 2024, 31 July 2023 and at 31 July 2022 were measured in accordance with the requirements of FRS 102 (note that IAS 19 has been used to calculate the value of pension surplus to be recognised on the balance sheet which concluded that the surplus should be restricted to NIL – see LGPS Policy under policies on page 37 for more detail):

	2024 £000	2023 £000	2022 £000
Fair value of plan assets	63,142	57,252	54,837
Liabilities	(54,255)	(50,842)	(63,051)
Surplus / (Deficit) in the scheme	8,887	6,410	(8,214)
Effect of the asset ceiling	(8,887)	(6,410)	-
Recognised pension asset / (liability)	-	-	(8,214)
Present Value of unfunded liability	565	603	
Recognised pension liability	565	603	

The following components of the pension charge have been recognised in the Statement of Comprehensive Income for the years ended 31 July 2024 and 31 July 2023:

	2024 £000	2023 £000
Amounts recognised in the statement of Comprehensive Income :		
Amounts included in staff costs		
Current service cost	(1,417)	(2,192)
Administration cost	(33)	(32)
Curtailment cost	-	(25)
Operating cost	(1,450)	(2,249)
Analysis of amounts charged to financing of provisions		
Remeasurement of assets	2,933	1,936
Interest on pension liabilities	(2,562)	(2,195)
Net finance (cost)/income	371	(259)
Amounts recognised in other Comprehensive Income		
Remeasurements of assets	2,483	(435)
Effects of changes in assumptions underlying the present value of scheme liabilities	(624)	15,910
Actuarial (loss)/gain	1,859	15,475
Asset Ceiling impact	(2,477)	-
Other Comprehensive Income	(618)	

In the prior year the effect of the asset ceiling of £ 6,410,000 on the LGPS pension asset was recognised directly in equity. This should have been recognised within other comprehensive income. As the Directors do not consider the effect on the prior period financial statements to be material, the comparatives have not been restated for this matter. This matter had no impact on the previously reported deficit for the year or total net assets.

Movement in the College's share of the scheme's deficit during the year

Surplus/(Deficit) in scheme as at 1 August	6,410	(8,214)
Operating cost	(1,450)	(2,249)
Net finance (cost)/income	371	(259)
Actuarial (loss)/gain	1,859	15,475
Contributions	1,697	1,657
Surplus/(Deficit) in scheme as at 31 July	8,887	6410
Effect of asset ceiling	(8,887)	(6,410)
Recognised pension asset/(liability)	-	-

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

21 Pension and similar obligations (continued)

Asset and Liability Reconciliations:

Reconciliation of Liabilities	2024	2023
	£000	£000
Liabilities at start of year	50,842	63,051
Current service cost	1,417	2,192
Interest cost	2,562	2,195
Contribution by scheme participants	511	497
Changes in financial assumptions	937	(17,618)
Changes in demographic assumptions	(122)	(2,189)
Experience (gain)/loss	(192)	3,897
Benefits paid	(1,700)	(1,208)
Curtailments and settlements	-	25
Liabilities at end of year	54,255	50,842
Reconciliation of Assets	2024	2023
	£000	£000
Assets at start of year	57,252	54,837
Remeasurement of assets	2,933	1,936
Actuarial gain/(loss)	2,482	(435)
Administration expenses	(33)	(32)
Contributions by the employer	1,697	1,657
Contributions by the scheme participant	511	497
Benefits paid	(1,700)	(1,208)
Assets at end of year	63,142	57,252

The expected return on assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields at the balance sheet date. Expected returns on equity investments reflect long-term rates of return experienced in the respective markets.

Reconciliation of asset ceiling

£'000

Effect of the asset ceiling – start of period	(7,013)
P& L : Net Interest	358
OCI : Remeasurement gain/(loss)	2,081
Effect of the asset ceiling – end of period	(9,452)

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

Pension and similar obligations (continued)

History of experience gains and losses

Remeasurements of assets:		
Amount (£000)	2,482	(435)
Percentage of scheme assets	3.9%	-0.8%
Experience gains and losses arising on scheme liabilities:		
Amount (£000)	-	-
Percentage of scheme liabilities	-	-
Effects of changes in assumptions underlying the present value of scheme:		
Amount (£000)	(624)	15,910
Percentage of scheme liabilities	(1.1)%	31.3%
Total of amounts recognised in the statement of Comprehensive income:		
Amount (£000)	1,859	15,475
Percentage of scheme liabilities	3.4%	30.4%

Sensitivity Analysis

Disclosure item	Central	Sensitivity 1	Sensitivity 2	Sensitivity 3	Sensitivity 4	Sensitivity 5	
		+ 0.5 % p.a. discount	+0.25 % p.a. inflation	+0.25 % p.a. pay growth	1 year increase in life expectancy	+/-1% change in 2023/24 investment returns : + 1%	-1%
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Liabilities	54,255	49,832	56,612	54,734	55,451	54,255	54,255
Assets	(63,142)	(63,142)	(63,142)	(63,142)	(63,142)	(63,776)	(62,508)
Deficit/(Surplus) exc ceiling impact	(8,887)	(13,310)	(6,530)	(8,408)	(7,691)	(9,521)	(8,253)
Projected service cost for next year	1,452	1,267	1,554	1,452	1,490	1,452	1,452
Projected net interest cost for next year – exc ceiling impact	(477)	(764)	(359)	(451)	(416)	(508)	(446)

"The methodology for calculating the discount rate has changed from the Mercer's in-house yield curve to the Mercer AA Yield Curve (with expanded dataset). Mercer's confirmation in their assumptions advice that the discount rate would have been 0.1% higher under the previous methodology.. Based on the disclosed sensitivity for discount rate, the change in methodology increases the DBO by around £960k. "

On 25 July 2024, the Court of Appeal dismissed the appeal in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others. The appeal was brought by Virgin Media Ltd against aspects of the High Court's ruling handed down in June 2023 relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. The Court of Appeal upheld the High Court's ruling. The ruling may have implications for other UK defined benefit plans. It is understood this may or may not apply to the LGPS and HM Treasury is currently assessing the implications for all public service pension schemes. No further information is available at this stage.."

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NOTES TO THE FINANCIAL STATEMENTS (continued)

Pension and similar obligations (continued)

TPS (Teachers Pension Scheme)

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools, colleges and other educational establishments. Membership is automatic for teachers and lecturers at eligible institutions. Teachers and lecturers are able to opt out of the TPS.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act. Retirement and other pension benefits are paid by public funds provided by Parliament.

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

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

The valuation of the TPS is carried out in line with regulations made under the Public Service Pension Act 2013. Valuations credit the teachers' pension account with a real rate of return assuming funds are invested in notional investments that produce that real rate of return.

The latest actuarial review of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education (the Department) in October 2023. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service at the effective date of £262 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222 billion giving a notional past service deficit of £40 billion (compared to £22 billion in the 2016 valuation)

As a result of the valuation, new employer contribution rates will rise to 28.68% from April 2024 (compared to 23.68% during 2018/9).

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

The pension costs paid to TPS in the year amounted to £2,521,000 (2023: £2,333,000)

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NOTES TO THE FINANCIAL STATEMENTS (continued)

22 Reconciliation of consolidated operating surplus/(deficit) to net cash inflow/(outflow) from operating activities

	2024 £000	2023 £000
Surplus/(Deficit) for the year	711	(437)
Adjustments for investing or financing activities:		
Interest paid	41	29
Interest (received)	(754)	(468)
Adjustments for non-cash items:		
Depreciation (note 11)	2,361	2,611
Increase/(decrease) in provision for bad and doubtful debts	(46)	(31)
Surplus on disposals of fixed assets	-	-
Revaluation of investments	12	7
Deferred capital grants released to income:		
WG (note 1)	(1,320)	(1,473)
Specific grants released to income	(177)	(900)
Pension cost less contributions payable	(618)	851
(Increase)/Decrease in stocks	(148)	85
Decrease/ (Increase) in debtors	188	81
(Increase)/decrease in prepayments and accrued income	(1,754)	2,006
Increase/(decrease) in creditors	177	315
(Decrease)/increase in other taxation and social security	(236)	263
Increase/(decrease) in accruals	175	(478)
Increase/(decrease) in provisions	(460)	(50)
Net cash inflow/(outflow) from operating activities	(1,848)	2,411

23 Cash flows from financing activities

	2024 £000	2023 £000
Interest received	754	468
Interest element of finance lease rental payments	(41)	(29)
Capital element of finance lease payments	(225)	(224)
	488	215

24 Cash flows from investing activities

	2024 £000	2023 £000
Payments to acquire tangible fixed assets	(579)	(967)
Proceeds from disposal of tangible fixed assets	-	-
Proceeds from disposal of investments	-	-
Deferred capital grants received	136	490
Unspent specific grants released	(1,096)	(2,937)
	(1,539)	(3,414)

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NOTES TO THE FINANCIAL STATEMENTS (continued)

25 Cash and cash equivalents

	2024	2023
	£000	£000
Cash in hand and at bank	14,903	17,814
Cash Equivalents	236	224
Net cash	15,139	18,038

26 Capital commitments

	2024	2023
	£000	£000
Commitments contracted for at 31 July	-	-

27 Financial commitments

At 31 July 2024 the College was committed to making the following minimum lease payments under non-cancellable operating leases:

	2024	2024	2023	2023
	Land and	Other	Land and	Other
	buildings		buildings	
	£000	£000	£000	£000
Not later than one year	49	51	42	14
Later than one year and not later than five years	16	107	16	116
Later than five years	-	-	-	-
	65	158	58	130

28 Related party transactions

The College maintains a register of its interests for Directors of the Company and key management personnel. The following were outstanding / carried out during the year ended 31st July 2024:

CCTA Enterprises Ltd

- £ 250 receivable (2023 : £250), £0 payable (2023 : £0)
- Total income for the year £0 (2023 : £ 0), total purchases £0 (2023 : £ 0)

Coleg Ceredigion - Group Member

- £0 receivable (2023: £0), £0 payable (2023 : £0)
- Total income for the year £0 (2023: £0), total purchases £28,870 (2023: £13,699)
-

UWTSD – Parent

- £167,879 receivable (2023: £104,068) , £197,136 payable (2023: £106,616)
- Total income for the year £3,569,700 (2023: £3,759,092), total purchases £972,966 (2023: £954,887)

Fforwm Services Limited

- £ 0 receivable (2023 : £ 0), £0 payable (2023: £0)
- Total Income £ 23,022 (2023 : £28,594),Total purchases £68,023 (2023: £65,996)

Note : Transactions amongst the group companies are for services rendered. FForwm, is the subscription cost for the Colleges Wales services provided to all Welsh FE colleges. Income is grant drawdown.

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

29 Amounts dispersed as agents

The College acts as agent in the administration of learner support funds which are available solely for students. The grants and related disbursements are excluded from the income and expenditure account.

Financial Contingency Funds	2024	2024	2024	2023	2023	2023
	WG	HEFCW	Total	WG	HEFCW	Total
	£000	£000	£000	£000	£000	£000
Balance unspent at 1 August	71	-	71	61	-	61
Grants received	397	-	397	431	-	431
Available for distribution	468	-	468	492	-	492
Disbursed to students	(446)	-	(446)	(410)	-	(410)
Administration costs	(11)	-	(11)	(11)	-	(11)
Balance unspent at 31 July	11	-	11	71	-	71

30 Ultimate parent undertaking

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

University of Wales: Trinity Saint David
Carmarthen
SA31 3EP

COLEG SIR GAR

England & Wales - Charity number 1152522

Accounts



colegsirgâr

COLEG SIR GÂR
(a company limited by guarantee)

ANNUAL REPORT

FOR THE YEAR ENDED 31ST JULY 2023

Company registration no : 8539630

Charity registration no : 1152522

COLEG SIR GÂR

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COLEG SIR GÂR

PUBLIC BENEFIT STATEMENT

Coleg Sir Gâr is a registered charity (charity registration number: 1152522). The members of the Board of Directors, who are trustees of the charity, are disclosed in the Directors' Report on page 16.

In setting and reviewing the College's strategic objectives, the Board of Directors has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

Charitable Objectives

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

The College is well aware of its public benefit responsibility and, therefore, ensures that this is at the heart of all its operations and services.

Fulfilment of the charitable objectives

Beneficiaries

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

Coleg Sir Gâr is a college of further and higher education based in Carmarthenshire in South West Wales. The college has five campuses within the county: Llanelli (Graig campus); Ammanford; Llandeilo (Gelli Aur campus); and Carmarthen (Pibwrlwyd and Job's Well campuses). Currently the College has approximately 9,000 students enrolled on a range of courses including A Levels, Vocational Awards, Certificates and Diplomas, Higher National Certificates, Foundation Degrees and Degree programmes.

To deliver these courses, the College employs circa 650 teaching and support staff. The courses, students and staff are all located within one of 8 curriculum areas. The success of the College's students highlights the benefits of the range of effective partnerships maintained by the College.

The excellence of the College's partnership with the Carmarthenshire 14-19 Learning Network has been recognised with the achievement of a UK Beacon Award. The College's partnerships with industry are of significant importance and relationships with the construction industry have been recognised by an all Wales and UK Regional National Training Award.

In addition to College based provision, the College is also a significant work based learning provider with an extensive range of Traineeship and Apprenticeship programmes in a wide range of industrial sectors. The College has invested heavily over the last decade to provide students with the best possible learning environment. This has allowed the College's students to access excellent facilities and resources. The College also prides itself on being a caring and safe college, at all times putting the interests of the students first.

Admissions policy

The College operates a flexible and inclusive admissions policy, and provides for differentiation and individual needs in the design of its learning programmes. Some programmes have specific entry requirements which are reviewed annually and published in the College prospectus.

COLEG SIR GÂR

PUBLIC BENEFIT STATEMENT (continued)

Student Support/Bursaries/Scholarships

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

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

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

Widening Participation

The College has a comprehensive and broad range of academic and vocational education and training programmes. These range from pre-entry to graduate level, providing a service to the whole learning community. It offers further education, adult and community learning, higher education and work-based learning. It also provides for large numbers of 14-16 school pupils who attend the College or are taught by College staff at their schools. The College delivers across five campuses, at various community locations, in the workplace and online.

Community Engagement

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

By order of the Board



Signature

Date: 7th December 2023.....

Mrs Maria Stedman
Director

COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2023

The directors present their strategic report for the year ended 31 July 2023.

Background

In 1992, Parliament passed the Further and Higher Education Act as a result of which all former institutions of further education (where the total full-time, block release and part-time day release student enrolments in the 1990 FESR amounted to at least 15 per cent of the College's student load) and all existing sixth form institutions were incorporated into a new sector. The College was incorporated on 30 September 1992, although the Corporation did not become an independent Institution until 1 April 1993 (vesting day).

On 1 August 2013 the Coleg Sir Gâr Further Education Corporation (Dissolution) Order 2013 came into force. This order dissolved the further education corporation previously established and transferred all of its properties, rights and liabilities to the new Coleg Sir Gâr Company. The Coleg Sir Gâr (Designated Institutions in Further Education) Order 2013 came into force on the same day establishing a new College conducted by a registered company, limited by guarantee. This new Coleg Sir Gâr company is a wholly owned subsidiary of University of Wales: Trinity Saint David.

On the 1st August 2017, Coleg Ceredigion became a wholly owned subsidiary of Coleg Sir Gâr, having formerly been a direct subsidiary of the ultimate parent company University of Wales: Trinity Saint David.

Principal activities

Coleg Sir Gâr is a large, multi-site, Further Education College based in South West Wales and has five main campuses at Llanelli (Graig), Carmarthen (Pibwrlwyd and Jobs Well), Ammanford and Llandeilo (Gelli Aur). It has approximately 9,000 learners of which some 2,900 are full time and over 6,000 are part time. There are approximately 650 higher education learners. The College has a comprehensive and broad range of academic and vocational education and training programmes that range from pre-entry to graduate level, providing a service to the whole learning community. The principal activities of the College are further education, higher education, work-based learning, 14-19 school provision, professional training, consultancy and the delivery of Government initiatives to industry. The College also offers its provision online, via partnerships at community locations and in the workplace.

Campuses vary in size and nature and offer a variety of subjects. The College has an annual turnover of around £47 m and employs circa 659 staff. Of these, 323 are directly involved in teaching and 336 in support and administrative functions

The County

Carmarthenshire is a predominantly rural county with a chain of market towns providing the focus of activity. Carmarthen is the county town with a strong retail sector and relatively large local government, health and administration population.

The south east of the county has historically been associated with heavy industry and is the most densely populated part of the county, with Llanelli being the largest settlement. Whilst some large key employers remain in this part of the county, the economy has sought to diversify into light engineering and new technology industries.

The Index of Deprivation shows that there are concentrated areas of educational deprivation, employment deprivation and, consequently, multiple deprivation in South West Wales. Carmarthenshire has proportionally higher levels of inactive individuals in comparison to Wales and the UK.

COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2023

Purpose



Strategic Vision

VISION

We will:

- put the needs of the learner first;
- be safe, inclusive and caring;
- live by our values and behaviours;
- provide the best learner experience, enhanced by digital technology;
- facilitate personal development and progression for learners;
- encourage curiosity and creativity in teaching and learning;
- develop a flexible, employer informed, curriculum;
- champion the Welsh language and culture;
- implement an ambitious workforce development programme;
- develop partnerships that impact positively on learners and business performance;
- improve our financial resilience and efficiency;
- support regeneration and prosperity in our communities; and
- create a sustainable environment for learners to be successful

Values and Behaviours

RESPECT

We will be:

- accepting of difference and provide opportunity for everyone to thrive;
- empathetic to each others' needs;
- courteous and kind to each other;
- supportive and care for each other;
- ready and willing to engage positively.

UNITY

We will be:

- one team with a set of common goals and unified direction;
- mindful of our behaviour and language, and its impact on others;
- bilingual in our communication and engagement;
- integrated with our community and partners;
- transparent in all aspects of our work.

PROFESSIONALISM

We will be:

- honest and act with integrity;
- driven to provide outstanding education and customer service;
- open to receiving different views that inform our decision making;
- a learning organisation with a curious nature;
- sustainable in our planning and delivery.

Strategic Priorities



COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2023

Financial Performance and Objectives

The College's financial objectives are:

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

The Statement of Comprehensive Income for the period is set out on page 32. The highlights for the period in relation to these are detailed below.

- Total income for the period has remained stable at circa £47m (2022: £47m). Maintaining a significant level of turnover reflects the continued success of the College at delivering education. Fluctuations in turnover are inevitable, and can be greatly influenced by the level of project work undertaken.
- Staff costs (excluding exceptional costs) as a percentage of total income increased from 53.0 % to 54.0 % (driven in the main by pay increases of 8 % for the year). The average number of staff employed remained relatively constant. Other operating expenses increased as a percentage of total income from 38% to 39% - again, primarily driven by higher than normal inflationary pressures.
- The loss for the year was £ 437,000 (2022: £1,073,000 surplus) post FRS 102 non cash adjustments of £ 851,000 (2022 : £ 2,353,000). The operating surplus (pre FRS 102 non cash adjustments) was £ 414,000 (2022 : £ 3,426,000) .
- The liquidity position remains satisfactory, with the ratio of short-term assets to creditors falling due within one year standing at 2.3 (2022: 1.8).
- Net assets have improved from £ 21.67 million to a £ 36.70 million . Net assets, excluding defined benefit obligations have increased from £29.9 million to £30.29 million. For further details on the accounting standards under which these financial statements are prepared, see the Statement of Principal Accounting Policies and Estimation Techniques on page 37.
- Specific capital grants were applied in line with the College's Strategic Plan towards enhancing effectiveness and providing a quality learning environment.
- The provision for enhanced pensions was reviewed during the period and the balance required at 31 July 2023 has been estimated at £542,000 (2022: £592,000).

Treasury policies and objectives

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

The College has a separate treasury management policy in place.

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

COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2023

Cash flows, liquidity and reserves policy

The college operating cashflow position for the year is a positive amount of £2.4 m. Overall cash balances decreased by £ 0.8 m (from £18.8 m to £18.0 m). The College wishes to continue to accumulate cash balances to fund future planned capital developments. To achieve this, the College has continued its drive for efficiency in the education and training it delivers. This has been, and will be, achieved by thoroughly reviewing its curriculum provision, effective deployment of resources, and best value procurement of goods and services. In addition, the College continues to seek and develop other sources of income. Significant re-investment into the College estate and plant and equipment ensures that learners have quality provision to aid in their educational process. The college aims to hold a minimum of 2 months expenditure (£ 8 m) in cash reserves at all times.

Curriculum Development and Enrichment

There is a wide-ranging curriculum that meets learners' aspirations. The curriculum is broad, flexible, coherent, and facilitates progression. It is offered in a variety of modes to suit learners' needs. There is a strong vocational focus and all Welsh Government's Sector Subject Areas are represented at the College.

The curriculum is formulated and reviewed in partnership with the College's stakeholders, the Regional Learning and Skills Partnership (RLSP), ssector representative bodies, Coleg Cymraeg Cenedlaethol, 14-19 networks, ACL colleagues, University of Wales: Trinity Saint David, industry, business and local employers. This is supplemented using skills observatory data provided through the RLSP.

The College Curriculum and Quality team report to the Board's Committee for Learners and Standards. This provides a focus for discussion on curriculum and quality policy and development matters.

A range of options are available at all levels which offer diversity and choice to learners. The County's Youth Access programme also provides a partial full-time alternative curriculum for learners at the College who have had challenges in local schools. Almost the entire curriculum offered by the College is accredited, providing opportunities for learners to attain formal qualifications.

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

Partnership and Transformation

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

- From 1 August 2013, the College became part of the University of Wales: Trinity Saint David Group, maximising opportunities for learners and sharing information, expertise and resources. In a similar vein, Coleg Ceredigion became a subsidiary of Coleg Sir Gar on the 1st August 2017.
- Through partnerships within the education authority and with local partner schools (over 16 schools), the breadth and volume of vocational opportunities for 14-19 school pupils is significant.
- Education and employer links are excellent and include the College's longstanding collaboration with Carmarthenshire Construction Training Association Ltd (CCTAL) and CYFLE.
- The college works extensively in delivering provision collaboratively with TLC - the training and learning company.

COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2023

- The college is working closely with a range of employers, eg, Dwr Cymru, Owens Group, Thermal Earth, COTS, TRJ, Prince's Gate, CM-Days, Ron Skinner & Son, Castell Howell, the AA, Marine Group, Serco, Remploy, Hywel Dda, e- Careers, 4DAcademy etc.
- The College has made a significant contribution to the South West Wales Regional Learning and Skills Partnership and to the Public Service Board.
- Very good partnerships exist with Pembrokeshire College, other FE colleges and a number of other private training providers in the delivery of Work Based Learning (WBL) through the B-WBL Consortium.
- Long standing relationships are continuing with Carmarthenshire County Council in the delivery of Adult and Community Learning.
- Close working relationships exist with the LEA Youth Service and local schools to offer support and courses to learners who are at risk of becoming NEET (Not in Employment, Education or Training).
- Excellent partnership working has been achieved with the Scarlets, National Botanical Gardens Wales and Aberglasney Gardens, some of which act as centres for delivery.
- The College is well represented by members of the executive and College management team on a range of national networks; Regional Learning and Skills Partnership; Adult and Community Learning; 14-19 Networks; Colegau Cymru and Welsh Government.
- Excellent sporting academies in rugby, football and netball provide opportunities for learners at elite levels. These opportunities have resulted from working partnerships with the Welsh Rugby Union; Scarlets; FAW; the Welsh Netball Association, etc.

Quality and Standards

Note that the next section of the report that deals with quality performance, measures and statistics that reflect the combined data for both Coleg Sir Gâr and its subsidiary company Coleg Ceredigion. Coleg Sir Gâr is by far the largest proportion in terms of weighting, with a turnover of circa £ 47 m against £7 m for Coleg Ceredigion (9000 students vs circa 1300 students respectively).

The College welcomed Estyn in May 2022 who undertook an inspection of its further education provision. The inspection framework covered 5 key areas: Learning; Well-being & Attitudes to Learning; Teaching & Learning Experiences; Care, Support & Guidance; and Leadership & Management. Whilst graded outcomes are no longer provided by Estyn, the overall outcome for the College was very positive. Good features identified within the report include:

- *"Most learners feel safe and well supported during their time at the college".*
- *"The college has successfully embedded a positive ethos based on the values of respect, unity and professionalism".*
- *"Most learners speak positively about their experiences at the college".*
- *"Most learners develop competent practical skills and many relate theory to practice successfully".*
- *"The college has systems in place to support learners in their understanding of how to keep safe and safeguarding".*
- *"Nearly all teachers know their learners well and foster relationships that encourage and support learners to progress".*
- *"Most teachers skilfully develop learners' digital skills in their vocational or academic subjects".*
- *"Learners demonstrate high levels of competency using digital platforms to store, record, organise and track their own learning".*

COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2023

- “Where appropriate teachers support learners’ Welsh language skills by engaging them in conversation during classes”.
- “The College has developed strong partnerships with local schools for 14-16 provision”.
- “Across nearly all courses, learners benefit from clear progression routes to the next level or into work-based learning, higher education or employment”.
- “The principal has set a vision that informs the college’s strategic priorities well”.
- “Senior and middle managers show a clear understanding regarding how they support the college’s aim to deliver “inspirational learning experiences”.
- “During the pandemic, a particular strength of the college was its commitment to upskilling teaching and support staff to enable them to effectively support learners to develop strong digital skills and remain on their courses”.
- “The college senior management team has been effective in improving the learning experiences and outcomes at an underperforming campus. They reacted quickly and put in place robust quality improvement procedures”.
- “The college has comprehensive quality assurance systems and collects a wide range of data”.

Recommendations for continuous improvement include:

1. Make better use of the extensive data the college has to further refine the evaluation of the impact of provision and initiatives.
2. Strengthen strategies to improve learners’ understanding of radicalisation and extremism.
3. Ensure that learners’ numeracy skills and wider mathematical skills are developed fully to address their skills gaps.

Estyn Report May 2022

<https://www.estyn.gov.wales/provider/f0009005>

Standards achieved by learners

Further Education

In 2021/22, the Welsh Government published its first set of ‘national consistent performance measures’ for FE since the Covid pandemic, during which time contingency regulations were put in place. Completion rates in all levels of provision are at/or above the national comparator, with the exception of Level 3 Access. Successful completion in all levels of provision are at the national comparator, with the exception of Level 3 Access and Entry/Pre-entry levels.

2021/22	Completion	National Comparator	Successful Completion	National Comparator
Level 3 Vocational Programmes	87%	87%	74%	74%
Level 3 Access	71%	78%	69%	70%
Level 2 Vocational Programmes	86%	82%	72%	72%
Level 1 Vocational Programmes	84%	81%	76%	76%
Entry/Pre-entry	93%	84%	70%	76%

*Outcomes for 2022/23 are yet to be validated and published by the Welsh Government.

Outcomes for academic qualifications are provided in the table below.

AS Level Results (% of Grades Awarded)

Year		A	A-E
2023	CSG	24.7%	96.6%
	National Comparator	25.5%	90.9%
2022	CSG	23.6%	92.9%
	National Comparator	30.7%	92.7%
2021	CSG	24.7%	96.0%
	National Comparator	37.1%	96.7%

A Level Results (% of Grades Awarded)

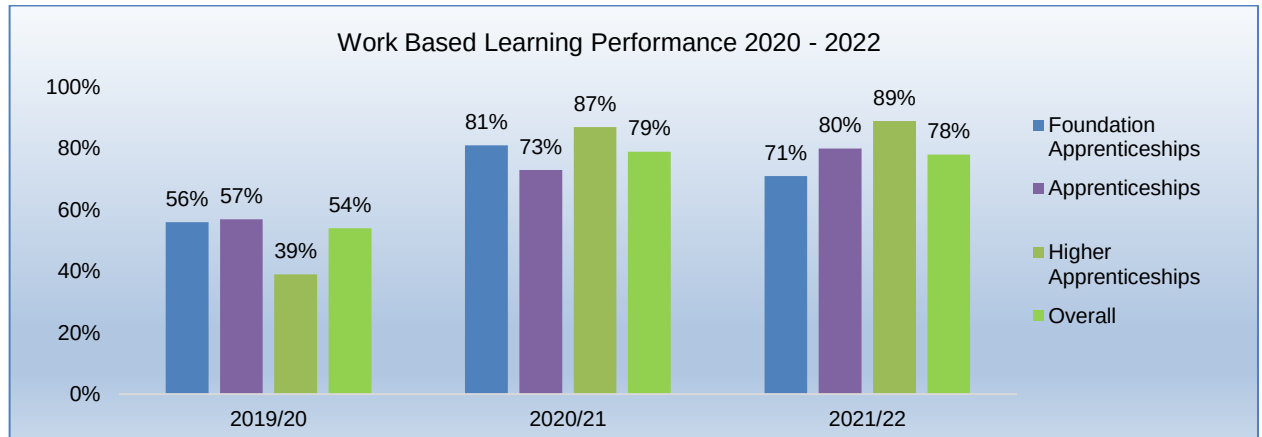
Year		A*	A*-A	A*-E
2023	CSG	12.7%	29.9%	98.6%
	National Comparator	13.5%	34.0%	97.5%
2022	CSG	9.9%	34.0%	97.6%
	National Comparator	17.1%	40.9%	98.0%
2021	CSG	13.1%	36.3%	100.0%
	National Comparator	21.3%	48.3%	99.1%

COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2023

In 2022/23, assessment in academic qualifications returned to fully normal procedures following the contingency regulations that were in place during the Covid pandemic. Overall outcomes for AS (A-E) and A level (A*-E) were excellent and above the national comparator.

Work-Based Learning

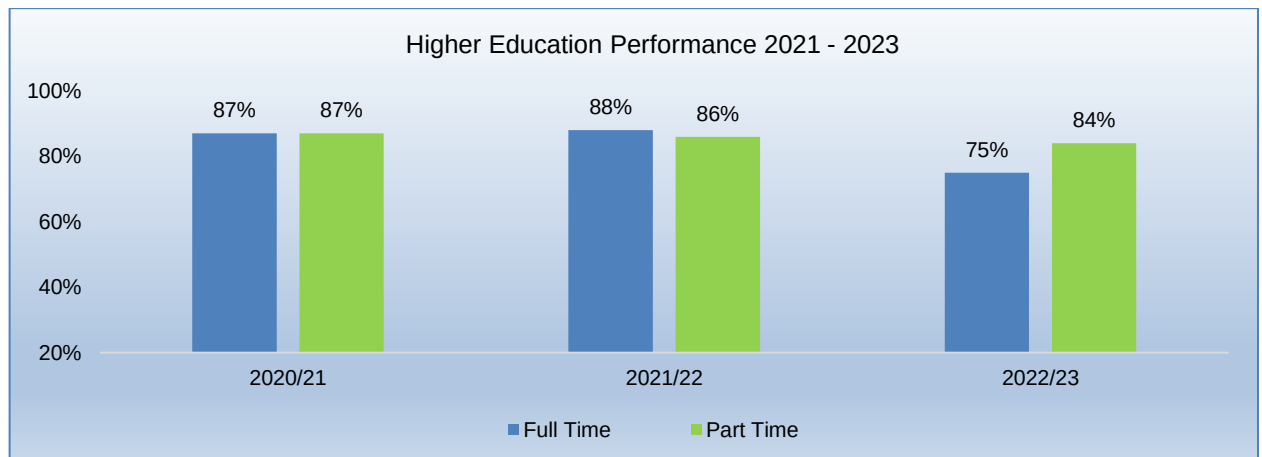


**Outcomes for 2022/23 are yet to be validated and published by the Welsh Government.*

Similarly, in WBL following the challenges in 2019/20, performance improved considerably in 2020/21 and 2021/22 with less disruption and improved outcomes. However, success in foundation apprenticeships fell considerably and has been a focus for improvement for 2022/23.

Higher Education

Historically, higher education students have consistently performed very well, however, 2022/23 saw an unusual fall in successful completion particularly in full time provision. This will be subject to further investigation by the College's Quality Assurance Unit in 2023/24.



Quality of Teaching and Learning

Despite the challenges faced by the College over the last three extraordinary years, continuous improvement of teaching and learning experiences and learner outcomes continues to be the College's primary aim in its pursuit of excellence. This has remained a focus during the pandemic as staff adapted swiftly and successfully to the sudden shift to remote and blended teaching, learning and assessment.

Policies have focused on helping the College move from good to excellent. The significant emphasis on training, motivating and supporting staff was recognised in 2017 when Coleg Sir Gâr was

COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2023

awarded the Association of Colleges Beacon Award for excellence in staff development; in 2019 when it received a Princess Royal Training Award and more recently in 2022 when it again received a Princess Royal Training Award.

Nearly all staff have engaged well and benefited from the college's strong commitment to continuous professional development and this positive impact is evident in the excellent learner success outcomes and improved learner survey results. Fundamental to the process is each teacher undertaking a self-assessment of their performance against key performance criteria. This in turn leads to a teaching profile that indicates bespoke areas for staff development. Attendance at staff development is high and after a period of implementation, self-assessment is undertaken once again.

The College's Teaching and Learning Team provide excellent support and tailored training to new members of staff, PGCE students and those teaching staff who need support with aspects of their work. Excellence in teaching is highly valued and celebrated through an annual teaching and learning award ceremony.

In the autumn of 2021, a total of 107 formal teaching and learning observations were carried out by members of the teaching and learning team and Estyn peer inspectors. Particular strengths (>90%) included: the delivery of learner centred lessons; and the support provided by teachers and their responsiveness to learners' needs. Furthermore, the management of learner behaviour; the progress learners make; teachers' subject and technical knowledge; and the provision of quality teaching and learning resources were also very good.

Health and Wellbeing of Learners

The College is committed to providing a healthy environment to improve the wellbeing of all students and staff and has raised the profile of wellbeing and mental health in response to growing demands.

Induction, tutorial and promotional activities have been effective in raising learners understanding of wellbeing, and have reflected the priority given to keeping learners safe including online safety.

Personal wellbeing and mental health specialist support is excellent within the college. A new referral and assessment procedure has been implemented, with an emphasis on ensuring that learners receive the right support at the right time.

Learners who face considerable barriers to learning are referred to effective mentoring and counselling services, and they receive good support from college mentors and counsellors. Feedback from learners is positive and the support provided by the wellbeing team enables learners to remain in education and to succeed despite often very significant personal barriers.

A strong emphasis is placed on equality and diversity to ensure all learners and staff are treated with respect. Awareness has effectively been raised among learners and staff through a wide range of media and activities that are prominently displayed throughout the campuses.

Effective arrangements are in place to safeguard children and vulnerable adults underpinned by clear policies and procedures. The college's 'be safe' message extends to the promotion of the rights of all learners to be free from bullying and harassment and clear actions are taken to prevent such behaviour. Online safety is well supported through promotion and tutorial activity. Safeguarding contacts are in place across all campuses and staff and students are aware of referral processes.

Learner Voice (Further Education)

In 2022/23, the focus of the further education annual learner voice survey was to gauge learner perception of teaching and learning. Overall, learners' perception in relation to their teaching and learning experiences is excellent.

COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2023

Vocational Learner Voice Survey Result (Teaching & Learning) 2022/23	85% or above
	75 – 84%
	65 – 74%
	Below 65%
Question	Satisfaction Rate
My tutors use a range of ways and resources to engage my interest in my lessons in college.	97%
I believe that I am doing well on the course.	91%
I receive regular oral and written feedback from my tutor.	93%
My tutors help me to improve my literacy, numeracy and digital literacy skills.	87%
I enjoy my lessons.	93%
There are lots of opportunities in my lessons to answer and ask questions.	97%
I feel challenged and stretched in all of my lessons and am able to take opportunities to improve, learn, and be resilient.	92%
I feel like my voice is heard by all of my tutors and is used to shape our learning experiences.	92%
I feel like all my lessons develop my wider skills such as critical thinking, creativity, problem solving, independent study, social awareness.	94%
My lessons have a variety of tasks that help to keep me engaged, interested and active in the lesson.	92%
My tutors use technology to keep me motivated and engage in the class.	93%
I feel that my tutors believe in me and support me to work towards my potential.	96%
If I am absent from college, tutors make contact with me and ensure I know how to catch up on missed work.	86%
I am aware of my targets and what I need to do in order to work towards them.	95%

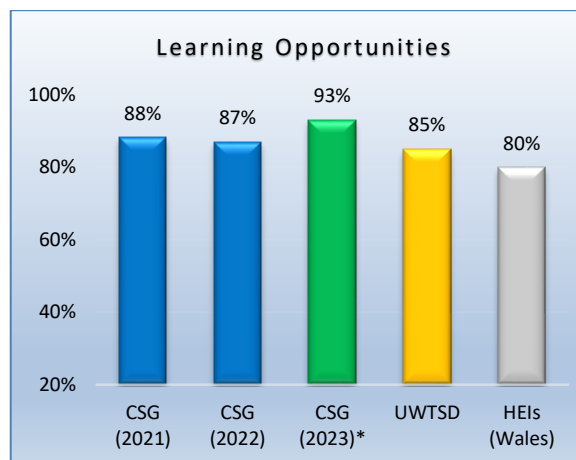
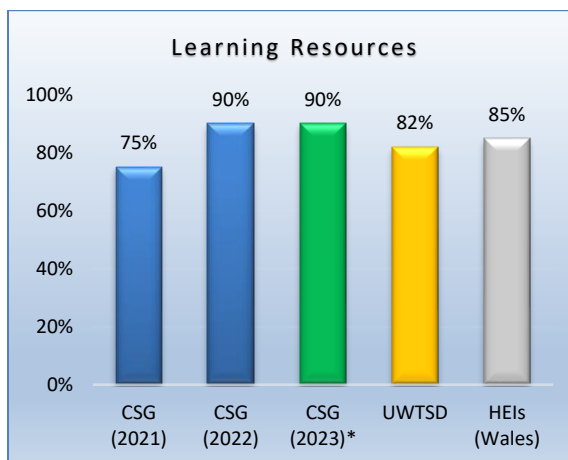
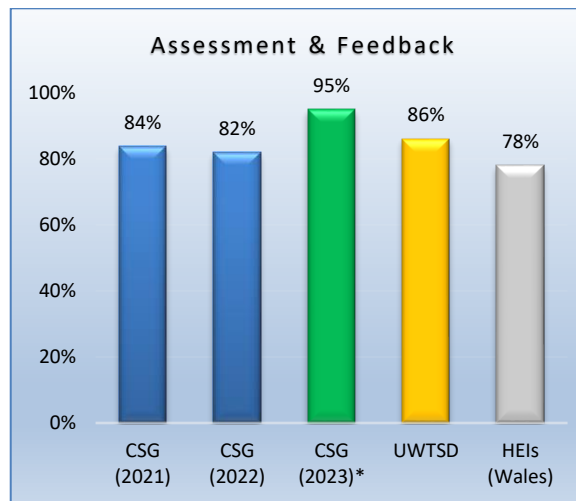
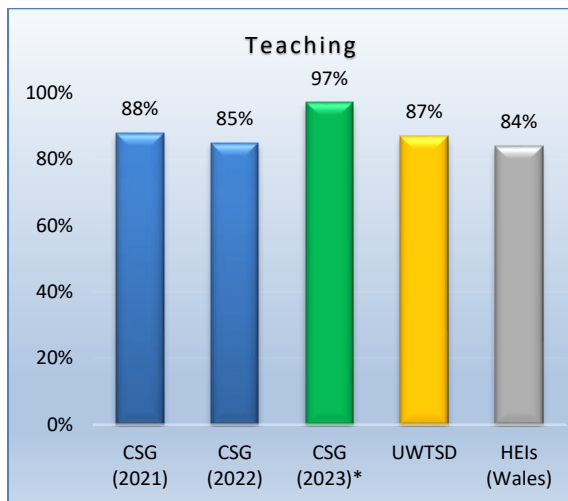
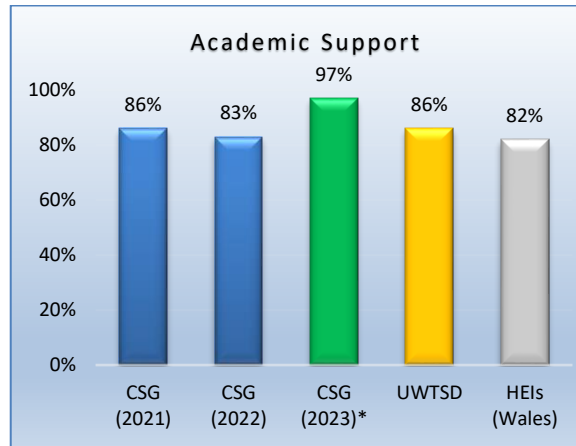
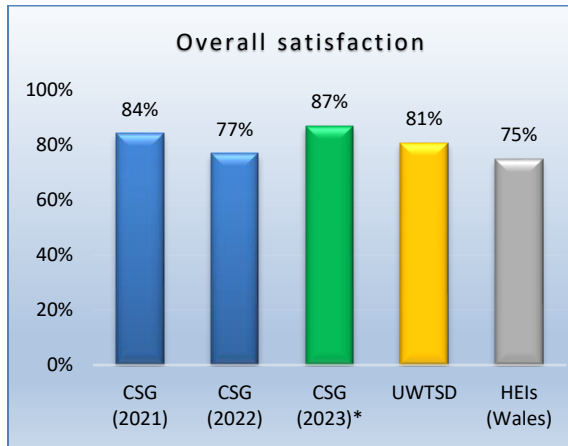
AS & A Level Learner Voice Survey Results (Teaching & Learning) 2022/23	85% or above
	75 – 84%
	65 – 74%
	Below 65%
Question	Satisfaction Rate
My lessons have a variety of tasks that help to keep me engaged, interested and active in the lesson.	92%
There are lots of opportunities in my lessons to answer and ask questions.	98%
I feel challenged and stretched in all of my lessons and am able to take opportunities to improve, learn, and be resilient.	95%
I am aware of my targets and what I need to do in order to work towards them.	95%
My tutors help me to improve my literacy, numeracy and digital literacy skills.	91%
I receive regular oral and written feedback from my tutor.	93%
I feel that my tutors believe in me and support me to work towards my potential.	96%
I feel like all my lessons develop my wider skills such as critical thinking, creativity, problem solving, independent study, social awareness.	93%
My tutors use technology to keep me motivated and engage in the class.	89%
I feel like my voice is heard by all of my tutors and is used to shape our learning experiences.	95%

COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2023

Learner Voice (Higher Education)

Higher Education students in their final year of study have continued to respond well to the National Student Survey, and excellent student satisfaction scores have historically been achieved in teaching, learning and overall experiences in College. The results of the 2023 survey were no exception with an excellent set of results for the College.



COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2023

Capital Investment and Accommodation (Coleg Sir Gâr only)

Although there were no major building projects or acquisitions during the year, there has been a significant amount capital investment in relation to buildings maintenance, plant, equipment and IT expedited at the college for during 2022/23.

The Future

The College sees a strong future for itself as part of the merged University of Wales: Trinity Saint David ("UWTSD") group and has made a commitment to continuing to offer a strong further education provision across the county.

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

- Improving in learner outcomes
- Developing the college as a centre of excellence for teaching and learning
- Meeting the challenges of 'Digital 2030'
- Meeting the requirements of the ALN Bill
- The development of the Welsh Baccalaureate Qualification at Level 3
- Developing more Welsh medium provision
- Maintaining a diversified curriculum portfolio across a range of sectors
- Developing more commercial training
- Developing strategies to cope with pressures in public funding
- Improving, rationalising and developing its estate in partnership with UWTSD and the County Council
- Driving the sustainability agenda on a limited budget

Principal Risks and Uncertainties

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

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

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

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

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

1. Reduction in real terms of government funding

The College relies on government funding, and the current climate is such that there are continuous pressures on this income stream.

This risk is mitigated in a number of ways:

- Concerted effort, drive and focus on creating a more diversified income base;
- Specific focus on quality to ensure a high standard of delivery in all education and training endeavours;

COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2023

- Maintaining the intake of higher education students. The College already offers a significant higher education provision;
- Working closely with the UWTSD group and Coleg Ceredigion to harmonise operations and remove duplication with a view to reducing costs;
- The operation of a Business Development Unit which has a primary objective of building a sustainable commercial income stream that is not reliant on government funding;
- Focusing on priority sectors which are likely to continue to attract public funds;
- Growing and developing the College's work-based learning provision; and
- Building partnerships with schools and business.

2. Failure to recruit and retain students

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

The risk is mitigated as follows:

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

3. General Economic Conditions : Energy, The cost of living crisis, Ukraine War , Brexit & Covid-19 challenges

The college is actively addressing operations to ensure the smooth continuity of operations as well as working closely with Welsh Government during these continued challenging times.

Key Performance Indicators

The College is pleased to confirm that the target of breakeven before defined benefit obligation costs has been more than achieved with an actual outturn before non-cash defined benefit obligation costs of £ 414,000 surplus (21/22: £3,246,000 surplus). The deficit for the year after defined benefit obligation costs is £(437,000) (surplus of 1,073,000 in 21/22), with non-cash adjustments being £851,000 (21/22: £2,353,000). Note the above figures for the current year include a charge of £ 853,000 for exceptional restructuring costs.

Student numbers remained relatively buoyant for the year, with total FE full time numbers roughly in line with prior year levels..

The College continues to achieve high standards of quality for its teaching and learning function, and received a good Estyn report in at the last inspection (see Strategic Report) . Similarly, National Student Survey reports normally indicate a high level of student satisfaction.

This report was approved by the board on the 8th December 2023 and was signed on behalf of the board by:

Signature



Date: 7th December 2023.....

Maria Stedman

Director

COLEG SIR GÂR

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2023

The directors present their report and the audited financial statements of the Company for the year ended 31st July 2023.

Results and future developments

The results for the year, strategy and future developments of the Company are set out in the Strategic Report on pages 4 to 15.

Dividends

The Company is limited by guarantee. No dividends have been paid or are recommended for the year ended 31st July 2023.

Professional advisers

External auditor:	KPMG LLP, Cardiff
Internal auditor :	Mazars LLP, Bristol
Banker:	Barclays Bank Plc, Llanelli
Solicitor:	Eversheds, Hepworth & Chadwick, Cardiff

Directors

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

<u>Directors</u>	<u>% attendance at meetings</u>
Mrs Maria Stedman *(Chair)	75 %
John Edge*#	100%
Mr Huw Davies*#	75 %
Mrs Jayne Woods *#	100%
Mr Eifion Griffiths*#	75 %
Mr Paul Jones*# (resigned 31/07/23)	100 %
Mr Delwyn Jones*#	100 %
Mr Alan Smith*# (appointed 06/10/22)	100 %
Mr Eoghan Powell *# (resigned 15/02/23)	50 %
Ms Erica Cassin *#	100 %
Mrs Angharad Harding*#	75 %
Mrs Abigail Salini*# (appointed 23/03/23)	100 %
Mr Ben Francis*#(appointed 23/03/ 23)	100 %
Mrs Jacqui Kedward*# (appointed 23/03/23)	50 %
Mr Mike Theodoulou*#(appointed 23/03/23)	100%
Mrs Tracy Senchal*# (appointed 23/03/23)	0 %
Mr John Williams*# (appointed 06/10/22)	100%
Mr Louis Dare *#(appointed 06/10/22)	100 %
Francesca Thomas*#(appointed 06/10/22)	75 %
Andrew Cornish *# (Principal)	100 %

(* non – executive directors)
(# Trustees)

COLEG SIR GÂR

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2023

(continued)

Directors' indemnities

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

Payment performance

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

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

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires Colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95 per cent. The College's performance in paying its suppliers during the year to 31 July 2023 was as follows:-

	2023	2023	2022	2022
	No	£000	No	£000
Total Invoices Received	6,946	24,996	6,613	17,916
Paid on time	5,117	22,181	5,186	15,580
% of total invoices received	74%	89%	78%	87%
Trade Creditors at 31 July - (Note 16)		2,135		1,537
		31 days		31 days

The College incurred no interest charges under The Late Payment of Commercial Debts (Interest) Act 1998.

Estate developments

The College regularly invests in the maintenance of the estate with planned annual programmes of maintenance carried out during the summer months. Annual budgets include an allocation for such works. No significant capital projects were undertaken in 22/23.

COLEG SIR GÂR

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2023

(continued)

Equal opportunities

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

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

Stakeholder relationships

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

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

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

Staff and student involvement

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

Statement of directors' responsibilities

The Directors are required to present audited financial statements for each financial year under company law. The directors are responsible for preparing the Annual Report, the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Within the terms and conditions of the Financial Memorandum between the Welsh Government and the Directors are required to prepare financial statements and an operating and financial review for each financial year in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education, the Accounts Direction for Further Education Colleges in Wales and the UK's Generally Accepted Accounting Principles including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 College and its profit or loss for that period.

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

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent

COLEG SIR GÂR

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2023

(continued)

- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Assess the College's ability to continue as a going concern, noting the key supporting assumptions or mitigating actions, as appropriate (which must be consistent with other disclosures in the accounts)
- prepare financial statements on the going concern basis unless it is inappropriate to assume that the College will continue in operation.

The Directors are also required to prepare a Members' Report which describes what it is trying to do and how it is going about it, including information about the legal and administrative status of the College.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the College's transactions and which disclose, with reasonable accuracy at any time, the financial position of the College and which enable them to ensure that the financial statements are prepared in accordance with relevant legislation including the Companies Act 2006, the Further and Higher Education Act 1992 and Charities Act 2011, and relevant accounting standards. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. They are responsible for taking steps that are reasonably open to them to safeguard the College's assets and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of its website(s); the work carried out by auditors does not involve consideration of these matters and, accordingly, auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors are responsible for ensuring that expenditure and income are applied for the purposes intended by the Welsh Government and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from the Welsh Government, and any other public funds, are used only in accordance with the Financial Memorandum with the Welsh Government and any other conditions that may be prescribed from time to time by the Welsh Government or any other public funder. Members must ensure that there are appropriate financial and management controls in place to safeguard public and other funds and ensure they are used properly. In addition, Directors are responsible for securing economical, efficient, and effective management of the College's resources and expenditure so that the benefits that should be derived from the application of public funds from the Welsh Government and other public bodies are not put at risk.

COLEG SIR GÂR

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2023 (continued)

Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 1st August 2022 to 31st of July 2023 (and prior year) :

	<u>Current year</u>	<u>Prior year</u>
Energy consumption to calculate emissions (kwh)	4,465,514	4,563,515
<u>Scope 1 emissions in metric tonnes Co2e</u>		
Gas	612	647
Owned transport	45	40
<u>Total scope 1</u>	<u>657</u>	<u>687</u>
<u>Scope 2 emissions in metric tonnes Co2e</u>		
Electricity	300	264
<u>Scope 3 emissions metric tonnes Co2e</u>		
Business travel employee owned vehicles	39	32
<u>Total Gross emissions in tonnes Co2 e</u>	<u>996</u>	<u>983</u>
<u>Intensity ratio tonnes Co2e per student</u>	<u>0.166</u>	<u>0.146</u>

Qualification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting guidelines. We have also used the GHG Reporting Protocol - Corporate Standard and have used the 2023 UK Government's conversion factors for Company Reporting

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes Co2e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

Smart metres are installed across all sites. Solar panels have been installed on 3 of our largest campuses which significantly reduces purchased electricity. Energy saving lightbulbs(LEDs) are installed wherever possible and staff travel is reduced due to a focus on conducting meetings virtually using software such as Teams or Google meet. The college has invested heavily in bicycle storage facilities and operates a Cycle to Work Scheme to encourage this cleaner and healthier means of travel to college. EV (Electric Vehicle) charging points are also installed at all our campuses.

Directors statement of compliance with duty to promote the success of the College

Engaging with our stakeholders (section 172 (1) statement)

The Board of Directors have a duty to promote the success of the Group for the benefit of its members as a whole having regards to the interests of our stakeholders (no shareholders as the company is limited by guarantee) , our students, Welsh Government, our clients, our employees, our relationships with our suppliers and the impact of our operations on the communities in which we operate, and to ensure that we maintain a reputation for high standards of quality, care and business conduct.

Our key stakeholders are our students, Welsh Government, our clients, local businesses, our employees and the communities within which we operate. Our suppliers and regulators are also important stakeholder groups. All key Board decisions consider the impact on relevant stakeholders. Increasingly, stakeholders are looking to understand our performance across multiple areas from performance to services, community engagement, innovation, governance,

COLEG SIR GÂR

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2023

(continued)

workplace practices and corporate citizenship. The Board endeavours to gain an understanding of the perceptions and attitudes of each stakeholder group and the weight they give to different issues. Where the views of different stakeholder groups do not align, the Board must decide on the best course of action to promote the company's long-term success.

Our students

Our students are at the heart of our business and operations. We aim to deliver the best possible standards of education and training as well as a safe, exciting and modern environment to study within coupled with the best possible experience during their time at the college.

Employees

As a service organisation, our employees are key to our business. We want our employees to feel engaged and empowered to deliver great outcomes for our students and indeed all our stakeholders. Staff wellbeing is particularly important to the college and as such we have a college wellbeing manager in post to specifically address both the student and staff wellbeing agenda. There are significant support mechanisms within the college to deal with any concerns that staff may have, and there is regular opportunity for supported professional development open to all who wish to apply. The college works closely with all staff unions to ensure the needs and concerns of staff are addressed and prides itself on having a very strong, collaborative and mutually beneficial relationship in this regard. Staff members also have a representative on the Board of Directors

Regulators

The college, being a Further Education Institution, works very closely with Welsh Government who are the principal funding body for the majority of the college grant income. Regular qualitative and financial reports are submitted regularly and success is dependent on an open, robust and reciprocal relationship.

The college as a company and charity, also reports via Companies House and the Charity commission.

Suppliers

A strong relationship with Suppliers is essential to ensure the continuity of our operations and thus our ability to service our stakeholders to the highest possible standards. This would include suppliers of product and services across our 5 campuses. We aim to treat our suppliers fairly and pay them within agreed timescales, if not sooner, and always conduct ourselves professionally and to the highest possible standards. We work closely with our suppliers to ensure that they have effective controls in place to protect our students (and stakeholders if applicable) 'health and safety' and the security and privacy of their data.

Communities and environment

We play an active role in the communities in which we operate and take care of the environment. We evaluate the business risks and opportunities associated with climate change, closely managing our environmental impact and actively promoting positive environmental practices.

Employee Involvement and Disabled Employees

The company continues to keep employees informed of matters affecting them and the financial and economic factors affecting the performance of the company. This is achieved through consultations/training sessions, a staff gateway which is continually updated, email, newsletters and social media. Applications for employment by disabled persons are given full and fair consideration.

COLEG SIR GÂR

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2023

(continued)

In the event of employees becoming disabled and being unable to continue within the existing role, every effort is made to retrain them in order that their employment with the college may continue. It

is the policy of the company that training, career development and promotion opportunities should be available to all employees at all times.

Political contributions

Neither the Company nor its subsidiary made any political donations or incurred any political expenditure during the period (2022 – donations £nil).

Other Information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on pages 4 – 15.

Statement of disclosure of information to Auditor

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

Independent auditor

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

This report was approved by the Board on the 7th December 2023 and was signed on behalf of the Board by:



.....

Mrs Maria Stedman
Director

Registered Address: Graig Campus, Sandy Road, Pwll, Llanelli. SA15 4DN

Date: 7th December 2023

COLEG SIR GÂR

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

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

In the opinion of the directors, the Company complies with all of the mandatory provisions of the code so far as they apply to the further education sector, and it has complied throughout the year ended 31 July 2023 and up to the date of this report.

The Board of Directors

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

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

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

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

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

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

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

Appointments to the Board of Directors

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

Search and Governance committee

Throughout the year ended 31 July 2023, the Institution's Search committee comprised four members of the Board of Directors. The committee's responsibilities are to make recommendations to the Board on the selection of directors and co-opted members, and on matters of governance.

COLEG SIR GÂR

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Remuneration Committee

Made up of three Directors, the committee determines the remuneration and conditions of employment of senior post holders, including the Principal. Details of remuneration for the year ended 31 July 2023 are set out in note 6 to the financial statements.

Audit and Risk Management committee

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

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

The Company's internal auditor monitors the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input, and report their findings to management and the Audit and Risk Management committee. The external auditor undertakes the annual Financial Statements audit and reports findings back to the committee. Both the internal and external auditors are key components of the audit & risk management process and are key areas of responsibility for the committee.

Management is responsible for the implementation of agreed audit recommendations, and internal audit undertake periodic follow-up reviews to ensure such recommendations have been implemented. The Audit and Risk Management committee also advises the Company on the appointment of internal and financial statement auditors, and their remuneration for both audit and non-audit work.

Resources and Business Development committee

The Resources and Business Development committee is comprised of eight members. The committee operated in accordance with written terms of reference approved by the Board. The committee meets on a termly basis to review all aspects of planning and resource utilisation in the Company. This would include budgeting, management and financial accounts, treasury and investments, human resources, and estates development and maintenance.

Learner, Curriculum and Skills (and Standards) committee.

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

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

Internal control

Scope of responsibility

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

The Board has delegated the day-to-day responsibility to the Principal for maintaining a sound system of internal control that supports the achievement of the Institution's policies, aims and objectives, whilst safeguarding the public funds and assets for which they are personally responsible, in accordance with the responsibilities assigned to them in the Financial Memorandum between Coleg Sir Gâr and WG. The Principal is also responsible for reporting to the Board any material weaknesses or breakdowns in internal control.

COLEG SIR GÂR

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Internal control (continued)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Institution policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Coleg Sir Gâr for the year ended 31 July 2023 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board reviewed the key risks to which the Institution is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the Institution's significant risks that has been in place for the year ending 31 July 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board.

The risk and control framework

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

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

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

COLEG SIR GÂR

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Review of effectiveness

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

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

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

The senior management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The senior management team and the Audit and Risk Management committee also receive regular reports from internal audit, which include recommendations for improvement. The Audit and Risk Management committee's role in this area is confined to a high level review of the arrangements for internal control. The Board's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit and Risk Management committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2023 meeting, the Board carried out the annual assessment for the year ended 31 July 2023 by considering documentation from the senior management team and internal audit, and taking account of events since 31 July 2023.

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

Statement on regularity, propriety and compliance

The Governing Body has considered its responsibility to notify the Welsh Government of material irregularity, impropriety and non-compliance with the terms and conditions of funding, under the financial memorandum and contracts in place between the College and the Welsh Government. As part of our consideration we have had due regard to the requirements of the financial memorandum and contracts with the Welsh Government.

We confirm on behalf of the Governing Body, that after due enquiry, and to the best of our knowledge, we are able to identify any material irregular or improper use of funds by the College, or material non-compliance with the terms and conditions of funding under the college's financial memorandum and contracts with the Welsh Government.

We confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Welsh Government.

COLEG SIR GÂR

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Going concern

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

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements. After reviewing these forecasts, the Directors are of the opinion that, taking account of severe but plausible downsides, including the anticipated impact of the energy & cost of living crisis, the College will have sufficient funds to meet its liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period). Consequently, the Directors have prepared the financial statements on a going concern basis.

Training and Development – Board of Directors and Heads of Governance

- In-house induction training was delivered to 5 new Directors in March
- All directors and the Clerk undertook on line training in : Safeguarding; Prevent and GDPR during the year

External Review – Governance

An external review of Governance is undertaken at least once every 3 years. The last review was carried out by the Internal Audit Team – Mazars LLP - in May 2022.

By order of the Board



Mrs Maria Stedman

Director

Date: 7th December 2023

COLEG SIR GÂR

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLEG SIR GÂR; REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Coleg Sir Gar ("the College") for the year ended 31 July 2023 which comprise the Statement of Comprehensive Income, Statement of Changes in Reserves, Balance Sheet, Cash Flow Statement and related notes, including the Statement of Principal Accounting Policies and Estimation Techniques.

In our opinion the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2023 and of its surplus for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Going concern

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

In our evaluation of the Directors' conclusions, we considered the inherent risks to the College's business model and analysed how those risks might affect the College's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the College's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the College will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, the Audit Committee, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board of Directors and Audit and Risk Committee meeting minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

COLEG SIR GÂR

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLEG SIR GÂR; REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk that management may be in a position to make inappropriate accounting entries. On this audit we did not identify a fraud risk related to revenue recognition due to the non-complex revenue recognition criteria, which limits the opportunity to fraudulently manipulate revenue.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the College-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included journals posted by individuals who typically do not make journal entries, revenue or cash journals made to unrelated accounts and unbalanced journal entries.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the College is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation and further education related legislation, including the Accounts Direction for Further Education Colleges in Wales issued by Welsh Government), distributable profits legislation and pensions legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the College is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, employment law, recognising the nature of the College's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

COLEG SIR GÂR

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLEG SIR GÂR; REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Other information

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

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

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the College, or returns adequate for our audit have not been received from branches not visited by us; or
- the College financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

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

Auditor's responsibilities

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

In our opinion, in all material respects:

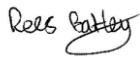
COLEG SIR GÂR

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLEG SIR GÂR; REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

- monies expended out of Welsh Government grants and other funds from whatever source administered by the College for specific purposes have been properly applied to those purposes and, if appropriate, managed in compliance with all relevant legislation;
- funding received from the Welsh Government (and other bodies and restricted funds where appropriate) has been applied in accordance with the Financial Memorandum between the Welsh Government and further education institutions; and
- the financial statements meet the requirements of the Accounts Direction for Further Education Colleges in Wales 2022/23 issued by Welsh Government.

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

This report is made solely to the College's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and paragraph 56(b) of the College's Articles of Association. Our audit work has been undertaken so that we might state to the College's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the College's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Rees Batley (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

66 Queen Square

Bristol

BS1 4BE

Date :11 December 2023

COLLEGE STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2023

	Notes	2023 £000	2022 £000
Income			
Funding body grants	1	31,379	31,741
Tuition fees and education contracts	2	4,907	6,060
Other income	3	9,892	8,805
Investment income	4	468	34
Total income		46,646	46,640
Expenditure			
Staff costs	5	25,128	24,629
Fundamental restructuring costs	5	863	-
Other operating expenses	7	18,186	17,798
Depreciation	11	2,611	2,628
Interest and other finance costs	9	288	464
Total expenditure		47,076	45,519
Surplus/(Deficit) before other gains and losses		(430)	1,121
(Loss)/gain on disposal of fixed assets		0	1
Gain/(Loss) on investments		(7)	(49)
Surplus(Deficit) before tax		(437)	1,073
Taxation		-	-
Surplus/(Deficit) for the year		(437)	1,073
Actuarial gain/ (loss) in respect of pension schemes	21	15,475	21,820
Total Comprehensive Income for the year		15,038	22,893
Represented by :			
Unrestricted comprehensive income		15,038	22,893
Restricted comprehensive income		0	0
		15,038	22,893

All amounts are derived from continuing operations.

The accompanying notes are an integral part of the Financial Statements

COLEG SIR GÂR

STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDING 31 JULY 2023

	Income and Expenditure account	Revaluation reserve	Endowments	Total
		£000	£000	£000
Balance at 31st July 2021	(9,401)	8,149	23	(1,229)
(Deficit) from the income & expenditure account	1,073	-	(1)	1,072
Other comprehensive income	21,820	-	-	21,820
Transfers between revaluation and income & expenditure reserves	192	(192)	-	0
Movement	23,085	(192)	(1)	22,892
Balance at 31st July 2022	13,684	7,957	22	21,663
Surplus/(Deficit) from the income & expenditure account	(437)	-	-	(437)
Other comprehensive income	15,475	-	-	15,475
Transfers between revaluation and income & expenditure reserves	192	(192)	-	0
Pension Asset Ceiling	(6410)			(6,410)
Movement	8,820	(192)	-	8,628
Balance at 31st July 2023	22,504	7,765	22	30,291

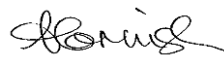
COLEG SIR GÂR

BALANCE SHEET AS AT 31 JULY 2023

		2023	2022
	Notes	£000	£000
Non-current assets			
Intangible fixed assets	10	-	-
Tangible fixed assets	11	30,088	31,499
Investments	12	248	254
Total fixed assets		30,336	31,753
Current assets			
Stocks	14	155	235
Trade and other receivables	15	2,013	4,069
Investments	13	17	17
Cash and cash equivalents		18,038	18,826
Total current assets		20,223	23,147
Less: Creditors: amounts falling due within one year	16	(8,697)	(12,576)
Net current assets		11,526	10,571
Total assets less current liabilities		41,862	42,324
Less: Creditors: amounts falling due after more than one year	17	(10,581)	(11,407)
Less: Provisions			
Defined benefit (obligation)/asset	21	0	(8,214)
Other provisions	18	(990)	(1,040)
Total net assets		30,291	21,663
Restricted reserves :			
Income and expenditure reserve - Endowment reserve	20	22	22
Unrestricted reserves :			
Income and expenditure reserve - unrestricted		22,504	13,684
Revaluation reserve		7,765	7,957
Total unrestricted reserves		30,269	21,641
Total reserves		30,291	21,663

The financial statements on pages 32 to 62 were approved and authorised for issue by the Board on the 8th December 2022 and were signed on its behalf on that date by:

Chair: 
Date : 7th December 2023
Mrs Maria Stedman

Director: 
Date: 7th December 2023
Mr Andrew Cornish

Company registration no.: 8539630
Charity registration no.: 1152522

COLEG SIR GÂR

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2023

	Notes	2023 £000	2022 £000
Net cash inflow/(outflow) from operating activities	22	2,411	3,266
Cash flows from financing activities	23	215	(171)
Cash flows from investing activities	24	(3,414)	2,918
(Decrease)/Increase in cash and cash equivalents in the period		(788)	6,013
Cash and cash equivalents at 1 August	25	18,826	12,813
Cash and cash equivalents at 31 July	25	18,038	18,826

COLEG SIR GÂR

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES FOR THE YEAR ENDED 31 JULY 2023

Basis of preparation

Coleg Sir Gâr is a company limited by guarantee and incorporated and domiciled in the United Kingdom.

These financial statements have been prepared in accordance with the Companies Act as adapted to the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), in accordance with Financial Reporting Standard 102 – “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (FRS 102), the Companies Act 2006 and with the applicable WG Circular (2022-23). Coleg Sir Gâr is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the College's accounting policies.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention as modified by the use of previous valuations of certain fixed assets as deemed cost at transition to FRS 102 as at 1 August 2014. The accounting rules set out below have been applied consistently.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Going concern

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

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements. After reviewing these forecasts, the Directors are of the opinion that, taking account of severe but plausible downsides, including the anticipated impact of energy costs & the cost of living crisis, the College will have sufficient funds to meet its liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period). Consequently, the Directors have prepared the financial statements on a going concern basis.

Recognition of income

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. The recurrent grants from Welsh Government represent the funding allocations attributable to the current financial year and are credited direct to the income and expenditure account. Recurrent grants are recognised in line with planned activity. Any under-achievement against this planned activity is adjusted in-year and reflected in the level of recurrent grant recognised in the income and expenditure account.

Income from tuition fees is stated gross and recognised in the period for which it is received and includes all fees payable by students or their sponsors. Where the amount of tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income

COLEG SIR GÂR

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES FOR THE YEAR 31 JULY 2023 (continued)

Recognition of income (continued)

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

Donations with restrictions are recognised when relevant conditions have been met; in many cases recognition is directly related to expenditure incurred on specific purposes. Donations which are to be retained for the benefit of the institution are recognised in endowments; other donations are recognised by inclusion as other income in the income and expenditure account.

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

Non-recurrent grants from the Welsh Government or other government bodies received in respect of the acquisition or construction of fixed assets are treated as deferred capital grants and amortised in line with depreciation over the life of the assets under the accrual method as permitted by FRS 102.

Income from the sale of goods or services is credited to the income and expenditure account when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

Accounting for post-employment benefits

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

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

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised as an actuarial movement in other comprehensive income. Actuarial gains and losses on liabilities are also recognised immediately in other comprehensive income. Where the calculation results in a net asset, recognition is limited to the extent to which the college is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

COLEG SIR GÂR

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES FOR THE YEAR 31 JULY 2023 (continued)

Short term employment benefits

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

Enhanced pensions

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

Tangible fixed assets

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

(a) Land and buildings

Freehold buildings are depreciated over their expected useful economic life to the College of between ten and fifty years. Leasehold land and buildings are depreciated over 50 years or, if shorter, the period of the lease. Freehold land is not depreciated.

Where land and buildings are acquired with the aid of specific grants they are capitalised and depreciated as above. The related grants are credited to a deferred income account within creditors and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year.

Assets in the course of construction are not depreciated until the College has full use of the asset, at which time they are depreciated in accordance with the policy stated above.

Finance costs, which are directly attributable to the construction of land and buildings, are not capitalised as part of the cost of those assets.

On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings, which were revalued in 1998, as deemed cost but not to adopt a policy of revaluations of these properties in the future.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable. An annual review of impairment indicators is carried out annually at the financial statement reporting date.

(b) Equipment (including fixtures and fittings)

Equipment costing less than £3,000 per individual item is written off to the income and expenditure account in the period of acquisition. Grouped items, which are in aggregate above the threshold but individually under, will be reviewed specifically to determine the approach. All other equipment is capitalised at purchase cost. Equipment inherited from the Local Education Authority has not been included in the balance sheet, as it was their policy to charge the full purchase cost of the asset to the income and expenditure account in the year of acquisition.

Equipment is depreciated over its useful economic life as follows:

General equipment	5% - 25 % per annum
Computer equipment	20% - 33 % per annum
Fixtures and fittings	10% - 25 % per annum

COLEG SIR GÂR

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES FOR THE YEAR 31 JULY 2023 (continued)

Where equipment is acquired with the aid of specific grants it is capitalised and depreciated in accordance with the above policy. The related grants are credited to a deferred income account within creditors and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year.

Intangible fixed assets

The College has acquired a number of milk quotas for use in conjunction with the College's farming activities. The cost of the milk quotas has been classified as an intangible fixed asset. Milk quotas are amortised over a 10 year period on a straight-line basis.

Leased assets

Costs in respect of operating leases are charged on a straight line basis over the lease term. Any lease premiums or incentives relating to leases signed after 1st August 2014 are spread over the minimum lease term. The College has taken advantage of the transitional exemptions in FRS 102, and has retained the policy of spreading lease premiums and incentives to the date of the first market rent review for leases signed before 1st August 2014.

Leasing agreements which transfer to the College substantially all of the risks and rewards of ownership of an asset are treated as if the asset had been purchased outright. These are capitalised at their fair value at the inception of the lease, and depreciated over the shorter of the lease term or the useful economic lives of equivalently owned assets. The capital element outstanding is shown as obligations under finance leases.

The finance charges are allocated over the period of the lease in proportion to the capital element outstanding. Where finance lease payments are funded in full from funding council capital equipment grants, the associated assets are designated as grant-funded assets.

Investments

Investments in subsidiaries are accounted for at cost less impairment in the financial statements.

Listed investments held as non-current assets and current asset investments, are stated at fair value, with movements recognised in Comprehensive Income. Investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment in their value, estimated using a valuation technique.

Stocks

Stocks are stated at the lower of their cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

Cash and cash equivalents

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

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

Maintenance of premises

The College has a ten-year rolling long-term maintenance plan which forms the basis of the ongoing maintenance of the estate. The cost of long-term and routine corrective maintenance is charged to the income and expenditure account as incurred.

COLEG SIR GÂR

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES FOR THE YEAR 31 JULY 2023 (continued)

Financial assets, liabilities and equity

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

All loans, investments and short term deposits held by the College are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost. Loans and investments that are payable or receivable within one year are not discounted.

Foreign currency translation

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

Taxation

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

The College receives no similar exemption in respect of Value Added Tax.

The College's subsidiary company CCTA Enterprises Ltd is subject to corporation tax and VAT in the same way as any commercial organisation.

Provisions

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

Livestock

Livestock is treated as a fixed asset where it is intended for use on a continuous basis for the College's activities. Livestock is revalued on an annual basis with no depreciation charge being made. The movement between successive valuations is charged or credited to the income and expenditure account.

Agency costs

The College acts as an agent in the collection and payment of financial contingency funds and educational maintenance allowances. Related payments received from Welsh Government and subsequent disbursements to students and institutions are excluded from the income and expenditure of the College where the College is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Accounting for charitable donations and endowments

Non-exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised in income when the College is entitled to the funds.

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STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES FOR THE YEAR 31 JULY 2023 (continued)

Accounting for charitable donations (continued)

Income is retained within the restricted reserve until such time that any donor imposed restrictions attached to the donations and endowments are met at which time the income is released to general reserves through a reserves transfer. Donations with no restrictions are recognised in income when the College is entitled to the funds.

Investment income and movements in fair value of endowments are recorded in income in the year in which they arise and as either restricted or unrestricted income according to the terms of the restrictions applied to the individual endowment funds.

There are three main types:

1. Unrestricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the institution
2. Restricted expendable endowments – the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the institution can convert the donated sum into income
3. Restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective

Judgements in applying accounting policies and key sources of estimation uncertainty

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

- Determine whether there are indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- **Local Government Pension Scheme**

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2023 has been used by the actuary in valuing the pensions liability at 31 July 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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NOTES TO THE FINANCIAL STATEMENTS

1 Funding body grants

	2023	2022
	£000	£000
Recurrent grant	24,313	24,588
Work based learning	3,858	4,461
Specific grants	1,735	1,101
Capital grants:		
Buildings	460	420
Equipment	1,013	1,171
	31,379	31,741

2 Tuition fees and education contracts

	2023	2022
	£000	£000
UK higher education students	3,598	3,733
UK further education students	33	84
Non-EU students	-	6
Total tuition fees paid by or on behalf of individual students	3,631	3,823
Education contracts		
Higher Education contracts	620	623
Other contracts	656	1,614
	4,907	6,060

3 Other income

	2023	2022
	£000	£000
Residencies and catering	849	587
Non-government capital grants	-	-
Farming activities	1,740	1,351
Other income-generating activities	1,661	1,439
Other grant income:		
European funds	2,515	2,270
Other funds	2,899	2,926
Other income	228	232
	9,892	8,805

4 Investment income

	2023	2022
	£000	£000
Interest receivable	468	34
	468	34

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NOTES TO THE FINANCIAL STATEMENTS (continued)

5 Staff costs

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

	2023 Number	2022 Number
Teaching departments:		
Teaching staff	219	217
Other staff	21	22
	240	239
Teaching support services	15	14
Other support services	26	26
Administration and central services	95	94
Premises	19	17
Other income-generating activities	88	93
Catering and residences	-	-
Farm	10	10
	493	493
Based on an average Headcount basis : Teaching staff	323	319
Support Staff	336	334
Staff costs for the above persons:		
	2023 £000	2022 £000
Teaching departments		
Teaching staff	12,800	11,826
Other staff	655	631
	13,455	12,457
Teaching support services	563	518
Other support services	968	915
Administration and central services	4,725	4,273
Premises	640	565
Other income-generating activities	3,849	3,785
Catering and residences	-	-
Farm	314	270
Restructuring costs	863	-
Pension costs	12	(78)
FRS 102 (Section 28 –Pension Cost)	592	1,920
Holiday pay accrual	10	4
	25,991	24,629
	2023 £000	2022 £000
Wages and salaries	18,752	17,346
Social security costs	1,843	1,693
Other pension costs	4,533	5,590
	25,128	24,629
Restructuring costs	863	-
	25,991	24,629

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

5 Staff costs (continued)

The number of staff, including key management personnel (as defined in note 6), who received emoluments in the following ranges were:

	2023 Number	2022 Number
£60,001 - £65,000	3	3
£65,001 - £70,000	4	-
£70,001 - £75,000	-	-
£75,001 - £80,000	-	3
£80,001 - £85,000	-	-
£85,001 - £90,000	2	2
£90,001 - £95,000	1	1
£95,000 - £100,000	2	-
£100,000 - £105,000	-	1
£105,000 - £110,000	-	-
£110,000 - £115,000	-	-
£115,000 - £120,000	-	-
£120,000 - £125,000	1	-
Total	13	10

A pay award of 6.5 % was approved by the Board and paid with effect from 1 August 2022 for all staff, including the Principal (2022: 1.87 %). In addition, a further "one off" payment of 1.5 % was agreed and paid to all staff in June 23. For these purposes, emoluments include taxable benefits in kind but not employer pension costs. There were no staff within the £ 100,000 - £ 165,000 range.

6 Key management personnel emoluments

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the College Leadership Team which comprises the Principal, and vice principals.

The number of key management personnel, including the Principal, was 4 (2022: 4).

	2023 Number	2022 Number
£85,001 - £90,000	-	2
£90,001 - £95,000	1	1
£95,000 - £100,00	2	-
£100,001 - £ 165,000	-	1
£165,000 - £ 180,000	1	-
Total	4	4

Key management personnel emoluments are made up as follows:

	2023 £	2022 £
Salaries	464,778	427,390
Benefits in kind	3,598	2,959
Total	468,376	430,349
Pension contributions	106,424	97,840
Total emoluments	574,800	528,189

The above emoluments include amounts payable to the Principal (who is also the highest paid member of the key management) of:

	2023 £	2022 £
Salaries	172,974	160,000
Benefits in kind	3,598	2,959
Total	176,572	162,959
Pension contributions	40,960	37,888
Total emoluments	217,532	200,847

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NOTES TO THE FINANCIAL STATEMENTS (continued)

The pension contributions in respect of the Principal and other senior post-holders are in respect of employer's contributions to the Local Government and Teachers Superannuation Schemes and are paid at the same rate as for other employees.

The Board members, other than the Principal and staff members, did not receive any payment from the College other than the reimbursement of travel and subsistence expenses of £497 (2022: £274) incurred in the course of their duties.

The Principal received a pay increase of circa 6.5 % (2022: 1.87 %), and other higher paid staff (including key management personnel), also received a pay increase of 6.5 % during the year (2022: 1.75%). No additional bonuses or other salary enhancements were awarded to key management personnel or other higher paid staff (2022: nil), other than the additional "one off" 1.5 % paid to all staff in the organisation as part of an agreed settlement. The Principal's salary, as a multiple of the median of all employees pay (all full and part time staff but excluding agency workers) was 5.4 in 2023 (2022 : 5.5). Similarly, the multiple based on all emoluments was 5.5 in 2023 (2022 : 5.7).

The remuneration of the Principal is benchmarked on typical Further Education institutions of a similar size and complexity and reflects the challenges and magnitude of the role. Coleg Sirgar, combined with its' subsidiary company, Coleg Ceredigion, is a large company with a combined turnover of over £ 46 m with a staff headcount of over a 650, spilt across a very diverse area; indeed, crossing 2 counties : Carmarthenshire and Ceredigion. The task of managing the 7 sites, so widely dispersed, is complicated and challenging.

Key performance measures would include achieving the highest possible standards of quality in terms of our teaching and learning operation whilst providing an exciting, innovative and inclusive environment for students and staff to work within, and at all times to do so within the resources provided.

A constant challenge is to achieve efficiency of operations, combined with a drive to seek out and secure new sources of income where possible. This can only be achieved by working with all the college stakeholders, of which there are many, and ensuring a harmonious, collaborative and fair environment to all.

In addition, since the college is part of a wider group as a subsidiary of the University of Wales : Trinity Saint David, the Principal plays an important role in terms of working closely with the university to achieve mutually beneficial planned and agreed objectives, designed to create the highest level of teaching quality and learner experience whilst facilitating a lifelong learning culture and environment.

The Principal reports directly to the Board of Directors who are ultimately responsible for the performance of the college. The Directors also evaluate and assess the Principal's effectiveness in terms of managing the college and similarly, the remuneration package for the role.

The Directors have carried out an assessment with regards the Principal's salary and believe, that the salary is commensurate with the role at the college. To derive this conclusion, an assessment of the size, complexity, challenges and responsibility would have been undertaken, along with a benchmarking exercise of other FE colleges of similar size and complexity.

COLEG SIR GÂR

7 Other operating expenses

	2023 £000	2022 £000
Teaching departments	1,673	1,366
Teaching support services – libraries & resource centres	52	51
- examination fees	643	622
- student transport	1,038	823
Other support services	51	56
Administration and central services	7,186	8,788
General education expenditure	376	306
Premises:		
Running costs	1,252	1,180
Routine maintenance	1,366	764
Rents and leases	152	229
Planned maintenance	-	-
Other income generating activities	31	9
Catering and residence operations	893	666
Farming activities	1,135	817
Franchised provision	835	759
Irrecoverable value added tax	1,503	1,362
	18,186	17,798

Other operating expenses include:

	£000	£000
Auditor's remuneration:		
Financial statements audit	38	33
Other services provided by the financial statements auditor (regulatory return services)	6	10
Internal audit	22	22
Registration fees	83	67
Hire of other assets – operating leases	149	159

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

8 Costs in respect of overseas activities

The following costs were incurred during 2022-2023 in respect of overseas activities, which were carried out in accordance with the strategy approved by the governing body:

	Travel and Accommodation £	Subsistence Hospitality £	Other Costs £	Number of Visits
Members	-	-	-	-
Key management personnel	-	-	-	-
Other staff	-	-	-	-
	-	-	-	-

9 Interest and other finance costs

	2023 £000	2022 £000
On finance leases	29	31
Pension finance costs (see note 21)	259	433
	288	464

10 Intangible fixed assets

	Milk quota £000
Cost	
At 1 August 2022 and 31 July 2023	302
Accumulated Amortisation	
At 1 August 2022	302
Charge for the year	-
At 31 July 2023	302
Net book value	
At 31 July 2023	-
At 31 July 2022	-

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

11 Tangible fixed assets

	Freehold land and buildings £000	Equipment £000	Fixtures and fittings £000	Livestock £000	Total £000
Cost or valuation					
At 1 August 2022	43,861	9,385	3,443	386	57,075
Additions	66	599	541	-	1,206
Revaluation	-	-	-	-	-
Disposals	-	(33)	-	(5)	(38)
At 31 July 2023	43,927	9,951	3,984	381	58,243
Accumulated Depreciation					
At 1 August 2022	15,971	6,817	2,788	-	25,576
Charge for the year	921	1,068	622	-	2,611
Eliminated on disposal	-	(32)	-	-	(32)
At 31 July 2023	16,892	7,853	3,410	-	28,155
Net book value					
At 31 July 2023	27,035	2,098	574	381	30,088
At 31 July 2022	27,890	2,568	655	386	31,499

Analysis of net book value at 31 July 2023

Inherited	7,765	-	-	-	7,765
Financed by capital grant	10,389	1,463	-	-	11,852
Other	8,881	635	574	381	10,471
	27,035	2,098	574	381	30,088

Land and buildings were revalued in 1998 at depreciated replacement cost by Cooke & Arkwright, a firm of independent chartered surveyors. On adoption of FRS 102, revalued properties have been treated as deemed cost. The analysis of cost or valuation of the tangible fixed assets as at 31 July 2022 is as follows:

Cost or valuation at 31 July 2023 represented by:

Valuation in 1998 (see above)	19,716	-	-	381	20,097
Cost	24,211	9,951	3,984	-	38,146
	43,927	9,951	3,984	381	58,243

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

11 Tangible assets (continued)

Freehold land and buildings

	Occupied for own use £000	Investment properties £000	Properties under development £000	Total £000
Cost or valuation				
At 1 August 2022	43,861	-	-	43,861
Transferred in the year	-	-	-	-
Additions	66	-	-	66
Disposals	-	-	-	-
At 31 July 2023	43,927	-	-	43,927
Accumulated Depreciation				
At 1 August 2022	15,971	-	-	15,971
Charge for the year	921	-	-	921
Disposals	-	-	-	-
At 31 July 2023	16,892	-	-	16,892
Net book value				
At 31 July 2023	27,035	-	-	27,035
At 31 July 2022	27,890	-	-	27,890
Analysis of net book value at 31 July 2023				
Inherited	7,765	-	-	7,765
Financed by capital grant	10,389	-	-	10,389
Other	8,881	-	-	8,881
	27,035	-	-	27,035

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

12 Non-current investments

	2023 College £000	2022 College £000
Investment in subsidiary company	-	-
Other non-current asset investments	248	254
	248	254

The College's investments are in the following subsidiaries:

Name of company	Holding	Country of Incorporation	Activity
Coleg Ceredigion	Limited by Guarantee	Wales	Further Education College
CCTA Enterprises Limited	100%	Wales	Dormant
Rareblend Limited	100%	Wales	Dormant

Other non-current asset investments

	Listed investments £000	Other investments £000	Total £000
Cost or valuation			
At 1 August 2022	51	203	254
Additions	-	-	-
Revaluation	(6)	-	(6)
At 31 July 2023	45	203	248
Cost or valuation at 31 July 2023 represented by:			
Valuation	45	-	45
Cost	-	203	203
	45	203	248

13 Current investments

	2023 £000	2022 £000
Endowment assets		
Balance at 1 August	17	18
Increase in value of investments	-	(1)
Income for the year	-	-
Expenditure for the year	-	-
Balance at 31 July	17	17
Represented by:		
COIF Charities Investment Fund Holdings	17	17
	17	17

14 Stock

	2023 £000	2022 £000
Livestock for resale	155	224
Other stock	-	11
	155	235

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

15 Trade and other receivables

	2023 £000	2022 £000
Amounts falling due within one year:		
Trade debtors	301	351
Amounts owed by group undertakings : subsidiaries	-	-
other	104	14
Prepayments and accrued income	1,608	3,704
	2,013	4,069

Note: Amounts owed by group undertakings are repayable on demand and interest free. Other refers to the parent company UWTSD

16 Creditors: amounts falling due within one year

	2023 £000	2022 £000
Obligations under finance leases	152	176
Payments received in advance	2,593	6,430
Trade payables	1,340	1,025
Amount owed to group undertakings : subsidiary	14	654
Amount owed to group undertakings Other	106	86
Taxation and social security	689	426
Accruals and deferred income	2,330	2,188
Deferred income – government capital grants	1,473	1,591
	8,697	12,576

Note: Amounts owed to group undertakings are repayable on demand and do not accrue interest

17 Creditors: amounts falling due after more than one year

	2023 £000	2022 £000
Bank loans and overdrafts	-	-
Obligations under finance leases	202	163
Deferred income - government capital grants	10,379	11,244
Total	10,581	11,407

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

17 Creditors: amounts falling due after more than one year (continued)

Finance leases

	2023 £000	2022 £000
The net finance lease obligations to which the institution is committed are :		
In one year or less	152	176
Between two and five years	202	163
In five years or more	-	-
	354	343

18 Other provisions

	Enhanced Pension Provision £000	HE Fees £000	ESF £000	Total £000
At 1 August 2022	592	229	219	1,040
Utilised in the period	(61)	-	-	(61)
Released in the period	-	-	-	-
Transferred from income and expenditure account	11	-	-	11
At 31 July 2023	542	229	219	990

The ESF provision relates to a potential repayment of European Funds in relation to the overhead methodology. The HE Fees is in relation to a potential reclaim of course fees by students. The enhanced pension provision relates to staff who have already left the College's employ and commitments for reorganisation costs from which the College cannot reasonably withdraw at the balance sheet date. The provision has been recalculated in accordance with the latest LSC circular. The principal assumptions for this calculation are:

	2023	2022
Interest rate	5.0 %	3.3 %
Net interest rate	2.8 %	2.9 %

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

19 Deferred income – capital grants

	2023 £000	2022 £000
Amounts falling due within one year	1,473	1,591
Amounts falling due after more than one year	10,379	11,244
	11,852	12,835

The movement in capital grants is as follows:

	WG £000	Other grants £000	Total £000
At 1 August 2022			
Land and buildings	8,415	2,368	10,783
Equipment	1,718	334	2,052
Cash received			
Land and buildings	66	-	66
Equipment	423	-	423
Released to income and expenditure account			
Land and buildings	(354)	(105)	(459)
Equipment	(858)	(155)	(1,013)
At 31 July 2023			
Land and buildings	8,127	2,263	10,390
Equipment	1,283	179	1,462
	9,410	2,442	11,852

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

20 Endowment reserves

Year ended 31st July 2023

	Unrestricted Permanent £000	Restricted Expendable £000	Restricted Permanent £000	Restricted Total £000	Total £000
Balance at 1 August 2022					
Capital	-	22	-	22	22
Accumulated interest	-	-	-	-	-
Total	-	22	-	22	22
Increase in market value of investments	-	1	-	1	1
Expenditure for the year	-	(1)	-	(1)	(1)
Balance at 31 July 2023					
Capital	-	22	-	22	22
Accumulated interest	-	-	-	-	-
Total	-	22	-	22	22
Representing:					
Fellowship and scholarship funds	-	21	-	21	21
Prize funds	-	1	-	1	1
Total	-	22	-	22	22

Year ended 31st July 2022

	Unrestricted Permanent £000	Restricted Expendable £000	Restricted Permanent £000	Restricted Total £000	Total £000
Balance at 1 August 2021					
Capital	-	23	-	23	23
Accumulated interest	-	-	-	-	-
Total	-	23	-	23	23
Increase in market value of investments	-	(1)	-	(1)	(1)
Expenditure for the year	-	-	-	-	-
Balance at 31 July 2022					
Capital	-	22	-	22	22
Accumulated interest	-	-	-	-	-
Total	-	22	-	22	22
Representing:					
Fellowship and scholarship funds	-	18	-	18	18
Prize funds	-	4	-	4	4
Total	-	22	-	22	22

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

21 Pension and similar obligations

The College's employees belong to two principal pension schemes, the Teachers Pension Scheme (TPS) which is unfunded and the Local Government Pension Scheme (LGPS) which is funded. Both are multi-employer defined benefit plans, the assets of the schemes being held in separate trustee-administered funds.

The total pension cost for the College was:

	2023	2022
	£000	£000
TPS: Contributions paid	2,333	2,216
LGPS: Charge to the Statement of Comprehensive Income:		
Contributions paid	1,596	1,454
FRS 102 charge	592	2,353
Staff restructuring (see below)	12	(78)
Total pension cost	4,533	5,945
	2023	2022
	£000	£000
Staff restructuring		
Benefits recharged during the year by the LGPS	61	58
Other staff restructuring costs	(49)	(136)
	12	(78)
	2023	2022
	£000	£000
Total Contributions to LGPS		
Benefits recharged during the year by the LGPS	61	58
Employer normal contributions	1,596	1,454
	1,657	1,512

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

LGPS (Local Government Pension Scheme)

The last full actuarial valuation was performed on 31 March 2022 at which date the market value of assets of the scheme was £3,243 million. The actuarial value of the assets represented 113 % of the fund's accrued liabilities after allowing for future increases in earnings. This equates to a surplus of £372 m.

The funding objective as set out by the FSS is to achieve and maintain a solvency funding level of 100 % of liabilities. In line with the FSS, where a shortfall exists at the effective date of the valuation a deficit recovery plan will be put in place which requires additional contributions to correct the shortfall. Equally, where there is a material surplus it is usually appropriate to offset this against contributions for future service, in which case contribution reductions will be put in place to allow for this. At this valuation, the average recovery period for employers in deficit is 9 years and for employers in surplus 14 years (subject to the surplus buffer).

The agreed contribution rate for the College year commencing 1 April 2023 is 20 % (2022: 20%), plus a fixed monthly payment of £0 (2022 : £0 per annum).

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

21 Pension and similar obligations (continued)

An actuarial valuation of the scheme was also carried out at 31 July 2023, 31 July 2022 and at 31 July 2021 by a qualified independent actuary using the projected unit method. The major assumptions used by the actuary were:

	2023	2022	2021
Rate of inflation - CPI	2.70%	2.70%	2.60%
Rate of increase in salaries	4.20%	4.20%	4.10%
Rate of increase in pensions	2.80%	2.80%	2.70%
Discount rate	5.10%	3.50%	1.60%

Post Retirement Mortality assumptions

Beginning of period:

- Non-retired members S3PA CMI 2018 (1.75%) (100 % males,91 % females)
- Retired Members S3PA CMI 2018 (94%males,92% females)

End of period:

- Non-retired members S3PA CMI 2021 (1.75% (100% males ,91% females)
- Retired members S3PA CMI 2021 (1.75 % (94% males,92 % females)

Life expectancy	Years	Years	Years
Retiring Today - Males	21.4	23.0	23.1
Retiring Today - Females	23.7	24.9	25.0
Retiring in 20 years' time - Males	22.8	24.4	24.7
Retiring in 20 years' time – Females	25.5	27.1	27.2

Asset allocation:

	2023 Split %	2022 Split %	2021 Split %
Equities	73.1	70.4	75.0
Government bonds	0.2	1.4	1.8
Other bonds	8.5	7.3	8.2
Property	13.2	15.8	10.4
Cash/Other	5.0	5.1	4.6
	100.0	100.0	100.0

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NOTES TO THE FINANCIAL STATEMENTS (continued)

21 Pension and similar obligations (continued)

The following amounts at 31 July 2023, 31 July 2022 and at 31 July 2021 were measured in accordance with the requirements of FRS 102 (note that IAS 19 has been used to calculate the value of pension surplus to be recognised on the balance sheet which concluded that the surplus should be restricted to NIL – see LGPS Policy under policies on page 37 for more detail):

	2023	2022	2021
	£000	£000	£000
Fair value of plan assets	57,252	54,837	54,821
Liabilities	(50,842)	(63,051)	(82,502)
Surplus / (Deficit) in the scheme	6,410	(8,214)	(27,681)
Effect of the asset ceiling	(6,410)	-	-
Recognised pension asset / (liability)	-	(8,214)	(27,681)

The following components of the pension charge have been recognised in the Statement of Comprehensive Income for the years ended 31 July 2023 and 31 July 2022:

	2023	2022
	£000	£000
Amounts recognised in the statement of Comprehensive Income :		
Amounts included in staff costs		
Current service cost	(2,192)	(3,403)
Administration cost	(32)	(29)
Curtailment cost	(25)	-
Operating cost	(2,249)	(3,432)
Analysis of amounts charged to financing of provisions		
Expected return on assets	1,936	881
Interest on pension liabilities	(2,195)	(1,314)
Net finance (cost)/income	(259)	(433)
Amounts recognised in other Comprehensive Income		
Difference between actual and expected return on scheme assets	(435)	(1,376)
Effects of changes in assumptions underlying the present value of scheme liabilities	15,910	23,196
Actuarial (loss)/gain	15,475	21,820
Movement in the College's share of the scheme's deficit during the year		
Deficit in scheme as at 1 August	(8,214)	(27,681)
Operating cost	(2,249)	(3,432)
Net finance (cost)/income	(259)	(433)
Actuarial (loss)/gain	15,475	21,820
Contributions	1,657	1,512
Deficit in scheme as at 31 July	6410	(8,214)
Effect of asset ceiling	(6,410)	-
Recognised pension asset/(liability)	-	(8,214)

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

21 Pension and similar obligations (continued)

Asset and Liability Reconciliations:

Reconciliation of Liabilities	2023	2022
	£000	£000
Liabilities at start of year	63,051	82,502
Current service cost	2,192	3,403
Interest cost	2,195	1,314
Contribution by scheme participants	497	454
Changes in financial assumptions	(17,618)	(27,035)
Changes in demographic assumptions	(2,189)	(556)
Experience (gain)/loss	3,897	4,395
Benefits paid	(1,208)	(1,426)
Curtailments and settlements	25	-
Liabilities at end of year	50,842	63,051
Reconciliation of Assets	2023	2022
	£000	£000
Assets at start of year	54,837	54,821
Expected return on assets	1,936	881
Actuarial gain/(loss)	(435)	(1,376)
Administration expenses	(32)	(29)
Contributions by the employer	1,657	1,512
Contributions by the scheme participant	497	454
Benefits paid	(1,208)	(1,426)
Assets at end of year	57,252	54,837
Effect of the asset ceiling	(6,410)	-
Recognised value of scheme assets	50,842	54,837

The expected return on assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields at the balance sheet date. Expected returns on equity investments reflect long-term rates of return experienced in the respective markets.

History of experience gains and losses

Difference between actual and expected return on scheme assets:

Amount (£000)	(435)	(1,376)
Percentage of scheme assets	-0.8%	-2.5%
Experience gains and losses arising on scheme liabilities:		
Amount (£000)	-	-
Percentage of scheme liabilities	-	-
Effects of changes in assumptions underlying the present value of scheme:		
Amount (£000)	15,910	23,196
Percentage of scheme liabilities	31.3%	36.8%
Total of amounts recognised in the statement of Comprehensive income:		
Amount (£000)	15,475	21,820
Percentage of scheme liabilities	30.4%	34.6%

NOTES TO THE FINANCIAL STATEMENTS (continued)

21 Pension and similar obligations (continued)

Recent changes in global and UK economic pressures and tightening of monetary policy have had a significant impact on asset markets and corporate bonds yields, which are key to the FRS 102 assessment to the net pension asset or liability. In particular, AA corporate bond yields, used to set the FRS 102 discount rate have increased significantly, with corresponding falls in asset value. The markets have been exceptionally volatile and therefore both gross BDO's and assets have fallen.

TPS (Teachers Pension Scheme)

This report sets out the results of the actuarial valuation of the combination of the Teachers' Pension Scheme ('pre 2015 Scheme') 6 and the 2015 Teachers' Pension Scheme ('2015 Scheme') 7 (Teachers' Pension Scheme or 'the Scheme'). The Scheme provides pensions and other benefits to teachers who have worked in schools or other educational establishments in England and Wales. The Scheme is an unfunded statutory public service pension scheme with the benefits underwritten by the Government. The Scheme is financed by payments from the employer and from those current employees who are members of the Scheme, who pay contributions at different rates based on pay and as specified in the regulations

The latest actuarial valuation of the scheme was carried out as at 31 March 2016 and in accordance with The Public Service Pensions (Valuations and Employers Cost Cap) Directions 2014. The Government Actuary (GA) reported on the valuation of the Teachers' Pension Scheme on 9 June 2014. The GA concluded that:

- at the date of the valuation, the liabilities in the scheme were £196.1 bn and the value of the assets was £218.1 bn giving a notional past service deficit of £22 bn;
- the total recommended rate of contribution payable by employers from 1 September 2019 is 23.6 % (previously 16.4%) of salary; and

The financial assumptions adopted for the current valuation and, for comparison, those adopted for the 2012 valuation, are shown below:

	2016 Valuation	2012 Valuation
Discount rate :		
Real	2.40%	3.00%
Nominal	4.45%	5.06%
Pensions increases	2.00%	2.00%
Long term salary growth	4.20%	4.75%
- In excess of assumed CPI	2.20%	2.75%

FRS 102 (28)

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension scheme.

The TPS is unable to provide for the College an identification of its share of the underlying (notional) assets and liabilities of the scheme. Accordingly, the College has taken advantage of the exemption of FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The College has set out above the information available on the scheme and the implication for the College in terms of the anticipated contribution rates.

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

22 Reconciliation of consolidated operating surplus/(deficit) to net cash inflow/(outflow) from operating activities

	2023 £000	2022 £000
Surplus/(Deficit) for the year	(437)	1,073
Adjustments for investing or financing activities:		
Interest paid	29	31
Interest (received)	(468)	(34)
Adjustments for non-cash items:		
Depreciation (note 11)	2,611	2,628
Increase in provision for bad and doubtful debts	(31)	103
Surplus on disposals of fixed assets	-	(1)
Revaluation of investments	7	49
Deferred capital grants released to income:		
WG (note 1)	(1,473)	(1,591)
Specific grants released to income	(900)	(424)
Pension cost less contributions payable	851	2,353
(Increase)/Decrease in stocks	85	(95)
Decrease/ (Increase) in debtors	81	(166)
(Increase)/decrease in prepayments and accrued income	2,006	(1,038)
Increase/(decrease) in creditors	315	(435)
(Decrease)/increase in other taxation and social security	263	34
Increase/(decrease) in accruals	(478)	872
Increase/(decrease) in provisions	(50)	(93)
Net cash inflow/(outflow) from operating activities	2,411	3,266

23 Cash flows from financing activities

	2023 £000	2022 £000
Interest received	468	34
Interest element of finance lease rental payments	(29)	(31)
Capital element of finance lease payments	(224)	(174)
	215	(171)

24 Cash flows from investing activities

	2023 £000	2022 £000
Payments to acquire tangible fixed assets	(967)	(2,292)
Proceeds from disposal of tangible fixed assets	-	3
Proceeds from disposal of investments	-	-
Deferred capital grants received	490	2,003
Unspent specific grants released	(2,937)	3,204
	(3,414)	2,918

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

25 Cash and cash equivalents

	2023	2022
	£000	£000
Cash in hand and at bank	17,814	18,610
Cash Equivalents	224	216
Net cash	18,038	18,826

26 Capital commitments

	2023	2022
	£000	£000
Commitments contracted for at 31 July	-	-

27 Financial commitments

At 31 July 2023 the College was committed to making the following minimum lease payments under non-cancellable operating leases:

	2023	2023	2022	2022
	Land and	Other	Land and	Other
	buildings		buildings	
	£000	£000	£000	£000
Not later than one year	42	14	30	41
Later than one year and not later than five years	16	116	16	94
Later than five years	-	-	-	-
	58	130	46	135

28 Related party transactions

The College maintains a register of its interests for Directors of the Company and key management personnel. The following were outstanding / carried out during the year ended 31st July 2023:

CCTA Enterprises Ltd

- £ 250 receivable (2022 : £250), £0 payable (2022 : £0)
- Total income for the year £0 (2022 : £ 0), total purchases £0 (2022 : £ 0)

Coleg Ceredigion - Group Member

- £0 receivable (2022: £0), £0 payable (2022 : £653,910)
- Total income for the year £0 (2022: £0), total purchases £13,669 (2022: £3,140)

UWTSD – Parent

- £104,068 receivable (2022: £14,108) , £106,616 payable (2022: £66,000)
- Total income for the year £3,759,092 (2022: £3,770,867), total purchases £954,887 (2022: £1,029,342)

Fforwm Services Limited

- £ 0 receivable (2022 : £ 0), £0 payable (2022: £0)
- Total Income £ 28,594 (2022 : £ 0),Total purchases £65,996 (2022: £59,232)

Note : Transactions amongst the group companies are for services rendered. FForwm, is the subscription cost for the Colleges Wales services provided to all Welsh FE colleges. Income is grant drawdown.

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

29 Amounts dispersed as agents

The College acts as agent in the administration of learner support funds which are available solely for students. The grants and related disbursements are excluded from the income and expenditure account.

Financial Contingency Funds	2023	2023	2023	2022	2022	2022
	WG	HEFCW	Total	WG	HEFCW	Total
	£000	£000	£000	£000	£000	£000
Balance unspent at 1 August	61	-	61	77	-	77
Grants received	431	-	431	370	-	370
Available for distribution	492	-	492	447	-	447
Disbursed to students	(410)	-	(410)	(375)	-	(375)
Administration costs	(11)	-	(11)	(11)	-	(11)
Balance unspent at 31 July	71	-	71	61	-	61

30 Ultimate parent undertaking

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

University of Wales: Trinity Saint David
Carmarthen
SA31 3EP

COLEG SIR GAR

England & Wales - Charity number 1152522

Accounts



colegsirgâr

COLEG SIR GÂR
(a company limited by guarantee)

ANNUAL REPORT

FOR THE YEAR ENDED 31ST JULY 2022

Company registration no : 8539630

Charity registration no : 1152522

COLEG SIR GÂR

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COLEG SIR GÂR

PUBLIC BENEFIT STATEMENT

Coleg Sir Gâr is a registered charity (charity registration number: 1152522). The members of the Board of Directors, who are trustees of the charity, are disclosed in the Directors' Report on page 16.

In setting and reviewing the College's strategic objectives, the Board of Directors has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

Charitable Objectives

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

The College is well aware of its public benefit responsibility and, therefore, ensures that this is at the heart of all its operations and services.

Fulfilment of the charitable objectives

Beneficiaries

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

Coleg Sir Gâr is a college of further and higher education based in Carmarthenshire in South West Wales. The college has five campuses within the county: Llanelli (Graig campus); Ammanford; Llandeilo (Gelli Aur campus); and Carmarthen (Pibwrlwyd and Job's Well campuses). Currently the College has approximately 9,000 students enrolled on a range of courses including A Levels, Vocational Awards, Certificates and Diplomas, Higher National Certificates, Foundation Degrees and Degree programmes.

To deliver these courses, the College employs circa 650 teaching and support staff. The courses, students and staff are all located within one of 8 curriculum areas. The success of the College's students highlights the benefits of the range of effective partnerships maintained by the College.

The excellence of the College's partnership with the Carmarthenshire 14-19 Learning Network has been recognised with the achievement of a UK Beacon Award. The College's partnerships with industry are of significant importance and relationships with the construction industry have been recognised by an all Wales and UK Regional National Training Award.

In addition to College based provision, the College is also a significant work based learning provider with an extensive range of Traineeship and Apprenticeship programmes in a wide range of industrial sectors. The College has invested heavily over the last decade to provide students with the best possible learning environment. This has allowed the College's students to access excellent facilities and resources. The College also prides itself on being a caring and safe college, at all times putting the interests of the students first.

Admissions policy

The College operates a flexible and inclusive admissions policy, and provides for differentiation and individual needs in the design of its learning programmes. Some programmes have specific entry requirements which are reviewed annually and published in the College prospectus.

COLEG SIR GÂR

PUBLIC BENEFIT STATEMENT (continued)

Student Support/Bursaries/Scholarships

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

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

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

Widening Participation

The College has a comprehensive and broad range of academic and vocational education and training programmes. These range from pre-entry to graduate level, providing a service to the whole learning community. It offers further education, adult and community learning, higher education and work-based learning. It also provides for large numbers of 14-16 school pupils who attend the College or are taught by College staff at their schools. The College delivers across five campuses, at various community locations, in the workplace and online.

Community Engagement

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

By order of the Board



Signature

Date: 8th December 2022.....

Mrs Maria Stedman
Director

COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022

The directors present their strategic report for the year ended 31 July 2022.

Background

In 1992, Parliament passed the Further and Higher Education Act as a result of which all former institutions of further education (where the total full-time, block release and part-time day release student enrolments in the 1990 FESR amounted to at least 15 per cent of the College's student load) and all existing sixth form institutions were incorporated into a new sector. The College was incorporated on 30 September 1992, although the Corporation did not become an independent Institution until 1 April 1993 (vesting day).

On 1 August 2013 the Coleg Sir Gâr Further Education Corporation (Dissolution) Order 2013 came into force. This order dissolved the further education corporation previously established and transferred all of its properties, rights and liabilities to the new Coleg Sir Gâr Company. The Coleg Sir Gâr (Designated Institutions in Further Education) Order 2013 came into force on the same day establishing a new College conducted by a registered company, limited by guarantee. This new Coleg Sir Gâr company is a wholly owned subsidiary of University of Wales: Trinity Saint David.

On the 1st August 2017, Coleg Ceredigion became a wholly owned subsidiary of Coleg Sir Gâr, having formerly been a direct subsidiary of the ultimate parent company University of Wales: Trinity Saint David.

Principal activities

Coleg Sir Gâr is a large, multi-site, Further Education College based in South West Wales and has five main campuses at Llanelli (Graig), Carmarthen (Pibwrlwyd and Jobs Well), Ammanford and Llandeilo (Gelli Aur). It has approximately 9,000 learners of which some 2,800 are full time and over 6,000 are part time. There are approximately 700 higher education learners. The College has a comprehensive and broad range of academic and vocational education and training programmes that range from pre-entry to graduate level, providing a service to the whole learning community. The principal activities of the College are further education, higher education, work-based learning, 14-19 school provision, professional training, consultancy and the delivery of Government initiatives to industry. The College also offers its provision online, via partnerships at community locations and in the workplace.

Campuses vary in size and nature and offer a variety of subjects. The College has an annual turnover of around £46 m and employs circa 653 staff. Of these, 319 are directly involved in teaching and 334 in support and administrative functions

The County

Carmarthenshire is a predominantly rural county with a chain of market towns providing the focus of activity. Carmarthen is the county town with a strong retail sector and relatively large local government, health and administration population.

The south east of the county has historically been associated with heavy industry and is the most densely populated part of the county, with Llanelli being the largest settlement. Whilst some large key employers remain in this part of the county, the economy has sought to diversify into light engineering and new technology industries.

The Index of Deprivation shows that there are concentrated areas of educational deprivation, employment deprivation and, consequently, multiple deprivation in South West Wales. Carmarthenshire has proportionally higher levels of inactive individuals in comparison to Wales and the UK.

COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022

Purpose



Strategic Vision

VISION

We will:

- put the needs of the learner first;
- be safe, inclusive and caring;
- live by our values and behaviours;
- provide the best learner experience, enhanced by digital technology;
- facilitate personal development and progression for learners;
- encourage curiosity and creativity in teaching and learning;
- develop a flexible, employer informed, curriculum;
- champion the Welsh language and culture;
- implement an ambitious workforce development programme;
- develop partnerships that impact positively on learners and business performance;
- improve our financial resilience and efficiency;
- support regeneration and prosperity in our communities; and
- create a sustainable environment for learners to be successful

Values and Behaviours

RESPECT

We will be:

- accepting of difference and provide opportunity for everyone to thrive;
- empathetic to each others' needs;
- courteous and kind to each other;
- supportive and care for each other;
- ready and willing to engage positively.

UNITY

We will be:

- one team with a set of common goals and unified direction;
- mindful of our behaviour and language, and its impact on others;
- bilingual in our communication and engagement;
- integrated with our community and partners;
- transparent in all aspects of our work.

PROFESSIONALISM

We will be:

- honest and act with integrity;
- driven to provide outstanding education and customer service;
- open to receiving different views that inform our decision making;
- a learning organisation with a curious nature;
- sustainable in our planning and delivery.

Strategic Priorities



COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022

Financial Performance and Objectives

The College's financial objectives are:

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

The Statement of Comprehensive Income for the period is set out on page 33. The highlights for the period in relation to these are detailed below.

- Total income for the period has increased to circa £47m (2020: £40m), again , primarily driven by additional support grants from WG in relation to the challenges faced with Covid 19 and the aftermath . Maintaining a significant level of turnover reflects the continued success of the College at delivering education. Fluctuations in turnover are inevitable, and can be greatly influenced by the level of project work undertaken.
- Staff costs as a percentage of total income decreased from 58.0 % to 53.0 % (driven in the main by the increase in turnover due to additional funds which attracted non-pay costs – gains more than offset incurred national pay rises). The average number of staff employed remained relatively constant. Other operating expenses increased as a percentage of total income from 34% to 38% - which offsets the improvement in staff / turnover % as noted above.
- The surplus for the year was £ 1,073,000 (2021: £528,000)
- The liquidity position remains satisfactory, with the ratio of short-term assets to creditors falling due within one year standing at 1.8 (2021: 1.8).
- Net assets have improved from a negative £ (1.23) million to a positive £ 21.67 million . Net assets, excluding defined benefit obligations have increased from £26.5 million to £29.9 million. For further details on the accounting standards under which these financial statements are prepared, see the Statement of Principal Accounting Policies and Estimation Techniques on page 37.
- Specific capital grants were applied in line with the College's Strategic Plan towards enhancing effectiveness and providing a quality learning environment.
- The provision for enhanced pensions was reviewed during the period and the balance required at 31 July 2022 has been estimated at £592,000 (2021: £685,000).

Treasury policies and objectives

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

The College has a separate treasury management policy in place.

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

COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022

Cash flows, liquidity and reserves policy

The college operating cashflow position for the year is a positive amount of £3.3 m. Overall cash balances increased by £ 6 m (from £12.8 m to £18.8m). The College wishes to continue to accumulate cash balances to fund future planned capital developments. To achieve this, the College has continued its drive for efficiency in the education and training it delivers. This has been, and will be, achieved by thoroughly reviewing its curriculum provision, effective deployment of resources, and best value procurement of goods and services. In addition, the College continues to seek and develop other sources of income. Significant re-investment into the College estate and plant and equipment ensures that learners have quality provision to aid in their educational process.

Curriculum Development and Enrichment

There is a wide-ranging curriculum that meets learners' aspirations. The curriculum is broad, flexible, coherent, and facilitates progression. It is offered in a variety of modes to suit learners' needs. There is a strong vocational focus and all Welsh Government's Sector Subject Areas are represented at the College.

The curriculum is formulated and reviewed in partnership with the College's stakeholders, the Regional Learning and Skills Partnership (RLSP), ssector representative bodies, Coleg Cymraeg Cenedlaethol, 14-19 networks, ACL colleagues, University of Wales: Trinity Saint David, industry, business and local employers. This is supplemented using skills observatory data provided through the RLSP.

The College Curriculum and Quality team report to the Board's Committee for Learners and Standards. This provides a focus for discussion on curriculum and quality policy and development matters.

A range of options are available at all levels which offer diversity and choice to learners. The County's Youth Access programme also provides a partial full-time alternative curriculum for learners at the College who have had challenges in local schools. Almost the entire curriculum offered by the College is accredited, providing opportunities for learners to attain formal qualifications.

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

Partnership and Transformation

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

- From 1 August 2013, the College became part of the University of Wales: Trinity Saint David Group, maximising opportunities for learners and sharing information, expertise and resources. In a similar vein, Coleg Ceredigion became a subsidiary of Coleg Sir Gar on the 1st August 2017.
- Through partnerships within the education authority and with local partner schools (over 16 schools), the breadth and volume of vocational opportunities for 14-19 school pupils is significant.
- Education and employer links are excellent and include the College's longstanding collaboration with Carmarthenshire Construction Training Association Ltd (CCTAL) and CYFLE.
- The college works extensively in delivering provision collaboratively with TLC - the training and learning company.

COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022

- The college is working closely with a range of employers, eg, Dwr Cymru, Owens Group, Thermal Earth, COTS, TRJ, Prince's Gate, CM-Days, Ron Skinner & Son, Castell Howell, the AA, Marine Group, Serco, Remploy, Hywel Dda, e- Careers, 4DAcademy etc.
- The College has made a significant contribution to the South West Wales Regional Learning and Skills Partnership and to the Public Service Board.
- Very good partnerships exist with Pembrokeshire College, other FE colleges and a number of other private training providers in the delivery of Work Based Learning (WBL) through the B-WBL Consortium.
- Long standing relationships are continuing with Carmarthenshire County Council in the delivery of Adult and Community Learning.
- Close working relationships exist with the LEA Youth Service and local schools to offer support and courses to learners who are at risk of becoming NEET (Not in Employment, Education or Training).
- Excellent partnership working has been achieved with the Scarlets, National Botanical Gardens Wales and Aberglasney Gardens, some of which act as centres for delivery.
- The College is well represented by members of the executive and College management team on a range of national networks; Regional Learning and Skills Partnership; Adult and Community Learning; 14-19 Networks; Colegau Cymru and Welsh Government.
- Excellent sporting academies in rugby, football and netball provide opportunities for learners at elite levels. These opportunities have resulted from working partnerships with the Welsh Rugby Union; Scarlets; FAW; the Welsh Netball Association, etc.

Quality and Standards

Note that the next section of the report that deals with quality performance, measures and statistics that reflect the combined data for both Coleg Sir Gâr and its subsidiary company Coleg Ceredigion. Coleg Sir Gâr is by far the largest proportion in terms of weighting, with a turnover of circa £ 45 m against £5m for Coleg Ceredigion (9000 students vs circa 1300 students respectively).

The College welcomed Estyn in May 2022 who undertook an inspection of its further education provision. The inspection framework covered 5 key areas: Learning; Well-being & Attitudes to Learning; Teaching & Learning Experiences; Care, Support & Guidance; and Leadership & Management. Whilst graded outcomes are no longer provided by Estyn, the overall outcome for the College was very positive. Good features identified within the report include:

- *"Most learners feel safe and well supported during their time at the college".*
- *"The college has successfully embedded a positive ethos based on the values of respect, unity and professionalism".*
- *"Most learners speak positively about their experiences at the college".*
- *"Most learners develop competent practical skills and many relate theory to practice successfully".*
- *"The college has systems in place to support learners in their understanding of how to keep safe and safeguarding".*
- *"Nearly all teachers know their learners well and foster relationships that encourage and support learners to progress".*
- *"Most teachers skilfully develop learners' digital skills in their vocational or academic subjects".*
- *"Learners demonstrate high levels of competency using digital platforms to store, record, organise and track their own learning".*

COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022

- “Where appropriate teachers support learners’ Welsh language skills by engaging them in conversation during classes”.
- “The College has developed strong partnerships with local schools for 14-16 provision”.
- “Across nearly all courses, learners benefit from clear progression routes to the next level or into work-based learning, higher education or employment”.
- “The principal has set a vision that informs the college’s strategic priorities well”.
- “Senior and middle managers show a clear understanding regarding how they support the college’s aim to deliver “inspirational learning experiences”.
- “During the pandemic, a particular strength of the college was its commitment to upskilling teaching and support staff to enable them to effectively support learners to develop strong digital skills and remain on their courses”.
- “The college senior management team has been effective in improving the learning experiences and outcomes at an underperforming campus. They reacted quickly and put in place robust quality improvement procedures”.
- “The college has comprehensive quality assurance systems and collects a wide range of data”.

Recommendations for continuous improvement include:

1. Make better use of the extensive data the college has to further refine the evaluation of the impact of provision and initiatives.
2. Strengthen strategies to improve learners’ understanding of radicalisation and extremism.
3. Ensure that learners’ numeracy skills and wider mathematical skills are developed fully to address their skills gaps.

Estyn Report May 2022

<https://www.estyn.gov.wales/provider/f0009005>

Standards achieved by learners

Welsh Government has not published College-based performance measures over the three last academic years due to the alternative national arrangements put in place for centre determined and teacher assessed grading.

Further Education

Successful completion for all main academic and vocational qualifications for 2020-2021 is good at 83%, with completion and attainment rates of 91%. Successful outcomes for both COVID-19 years have remained constant at 83%, marginally below 85% for 2018-2019.

Outcomes for academic qualifications are good and provided in the tables below. It is noteworthy that centre determined grades were applied in lieu of examinations during in 2020 and 2021.

AS Results											
Summer 2021				Summer 2020				Summer 2019			
A	A-B	A-C	A-E	A	A-B	A-C	A-E	A	A-B	A-C	A-E
25%	49%	73%	96%	20%	39%	60%	91%	17%	39%	61%	93%

A Level Results														
Summer 2021					Summer 2020					Summer 2019				
A*	A*-A	A-B	A-C	A-E	A*	A*-A	A-B	A-C	A-E	A*	A*-A	A-B	A-C	A-E
13%	36%	66%	88%	100%	6%	23%	54%	77%	100%	5%	18%	48%	78%	99%

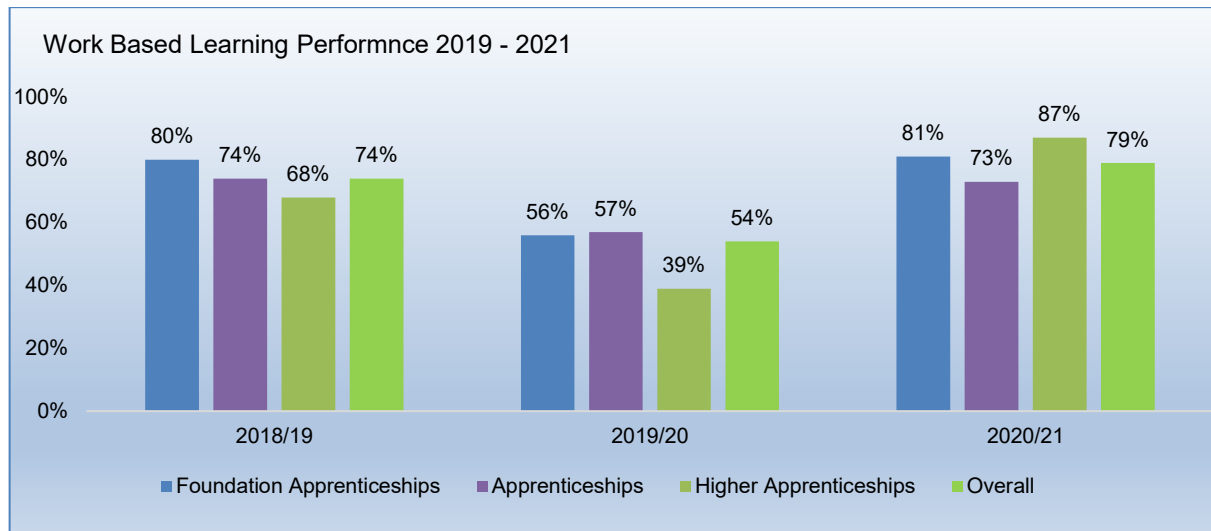
COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022

Work-Based Learning

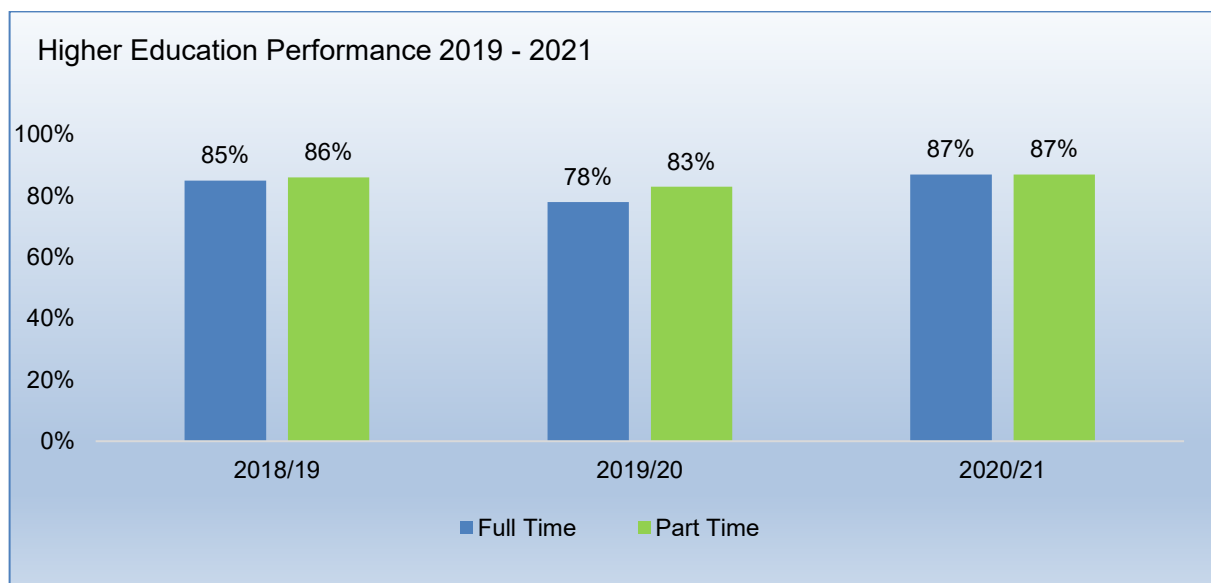
In WBL, following the challenges of 2019/20, 2020/21 was a much better year with less disruption and significantly improved outcomes, with the exception perhaps to some areas of the Care sector that continued to work under restrictions.

During the period when restrictions were eased, apprentices were invited into College under strict Health and Safety conditions to complete assessments on campus. Faculties continued with their efforts to support apprentices achieve their frameworks.



Higher Education

The College continues to monitor its trends in performance as it strives towards continuing to improve its standards at the higher education level. Historically, higher education learners have consistently performed very well. Similar to other areas of provision, 2019/20 was a particularly difficult year for staff and students having to adapt very quickly to online teaching, learning and assessment. Whilst some disruption to teaching and learning continued in 2020/21, a significant increase of 10% successful completion was achieved in full time provision this year.



COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022

Quality of Teaching and Learning

Despite the challenges faced by the College over the last three extraordinary years, continuous improvement of teaching and learning experiences and learner outcomes continues to be the College's primary aim in its pursuit of excellence. This has remained a focus during the pandemic as staff adapted swiftly and successfully to the sudden shift to remote and blended teaching, learning and assessment.

Policies have focused on helping the College move from good to excellent. The significant emphasis on training, motivating and supporting staff was recognised in 2017 when Coleg Sir Gâr was awarded the Association of Colleges Beacon Award for excellence in staff development; in 2019 when it received a Princess Royal Training Award and more recently in 2022 when it again received a Princess Royal Training Award.

Nearly all staff have engaged well and benefited from the college's strong commitment to continuous professional development and this positive impact is evident in the excellent learner success outcomes and improved learner survey results. Fundamental to the process is each teacher undertaking a self-assessment of their performance against key performance criteria. This in turn leads to a teaching profile that indicates bespoke areas for staff development. Attendance at staff development is high and after a period of implementation, self-assessment is undertaken once again.

The College's Teaching and Learning Team provide excellent support and tailored training to new members of staff, PGCE students and those teaching staff who need support with aspects of their work. Excellence in teaching is highly valued and celebrated through an annual teaching and learning award ceremony.

In the autumn of 2021, a total of 107 formal teaching and learning observations were carried out by members of the teaching and learning team and Estyn peer inspectors. Particular strengths (>90%) included: the delivery of learner centred lessons; and the support provided by teachers and their responsiveness to learners' needs. Furthermore, the management of learner behaviour; the progress learners make; teachers' subject and technical knowledge; and the provision of quality teaching and learning resources were also very good.

In the 2021 learner voice survey (focusing on teaching and learning), nearly all learners on vocational programmes and many learners on academic programmes agreed or strongly agreed that their tutors ensure that their face-to-face lessons help them to learn, they are interesting, exciting and catch and keep their attention. Many learners also agreed or strongly agreed with this statement when referring to their experiences in online lessons. Most learners on academic programmes, and nearly all vocational learners also stated that their tutors use technology to support their lessons, demonstrating that teachers strive to transform their digital learning environments to meet the changing needs of their learners.

Health and Wellbeing of Learners

The College is committed to providing a healthy environment to improve the wellbeing of all students and staff and has raised the profile of wellbeing and mental health in response to growing demands.

Induction, tutorial and promotional activities have been effective in raising learners understanding of wellbeing, and have reflected the priority given to keeping learners safe including online safety.

Personal wellbeing and mental health specialist support is excellent within the college. A new referral and assessment procedure has been implemented, with an emphasis on ensuring that learners receive the right support at the right time. This improved referral and support mechanism has proved effective, with 90% of learners maintaining or improving their assessment categories.

Learners who face considerable barriers to learning are referred to effective mentoring and counselling services, and they receive good support from college mentors and counsellors. Feedback from learners is positive and the support provided by the wellbeing team enables learners to remain in education and to succeed despite often very significant personal barriers.

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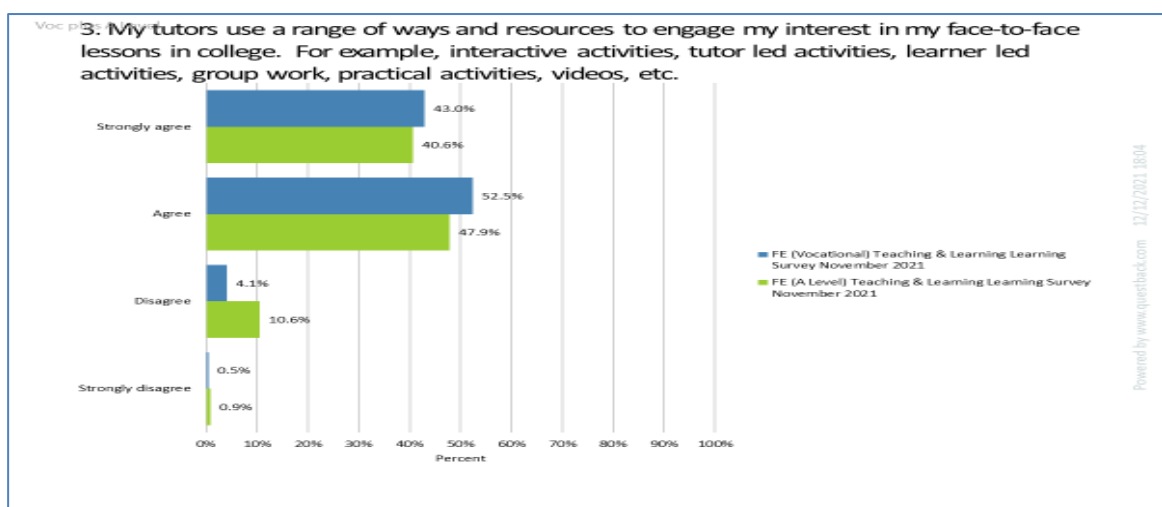
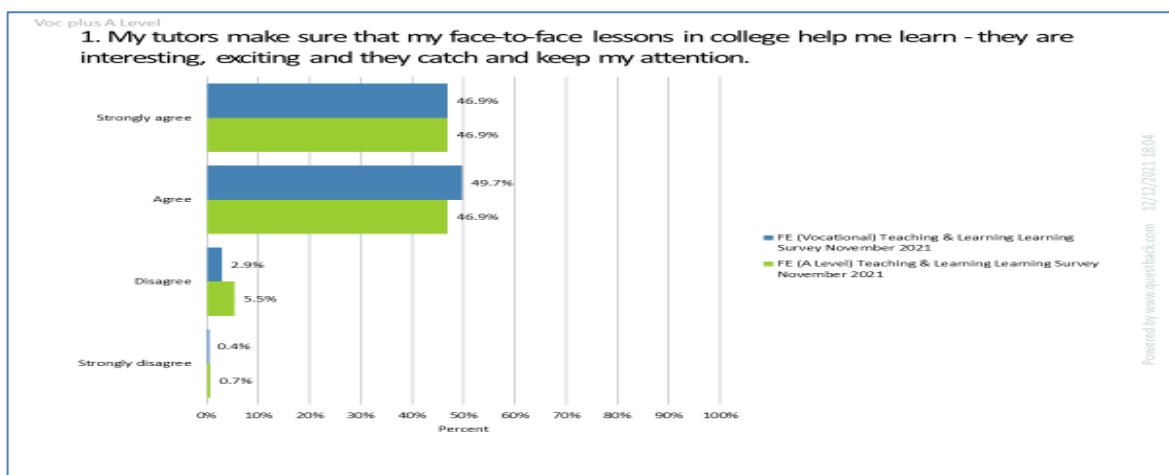
STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022

A strong emphasis is placed on equality and diversity to ensure all learners and staff are treated with respect. Awareness has effectively been raised among learners and staff through a wide range of media and activities that are prominently displayed throughout the campuses.

Effective arrangements are in place to safeguard children and vulnerable adults underpinned by clear policies and procedures. The college's 'be safe' message extends to the promotion of the rights of all learners to be free from bullying and harassment and clear actions are taken to prevent such behaviour. Online safety is well supported through promotion and tutorial activity. Safeguarding contacts are in place across all campuses and staff and students are aware of referral processes.

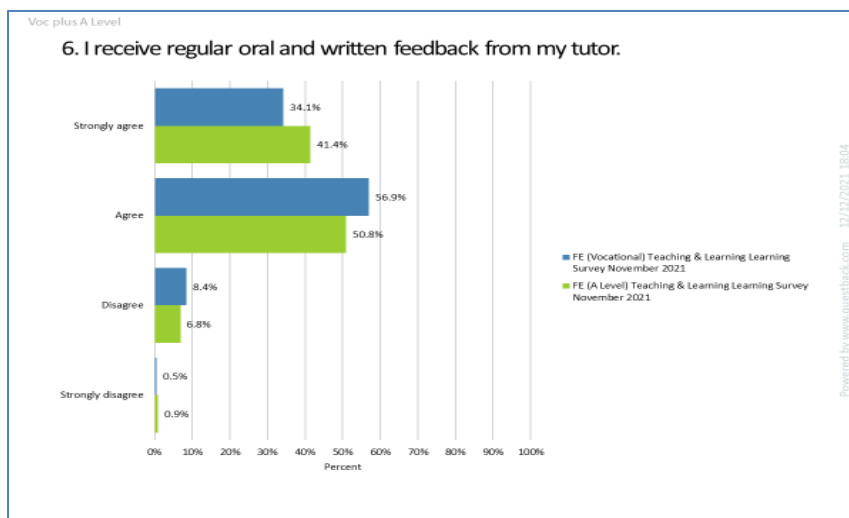
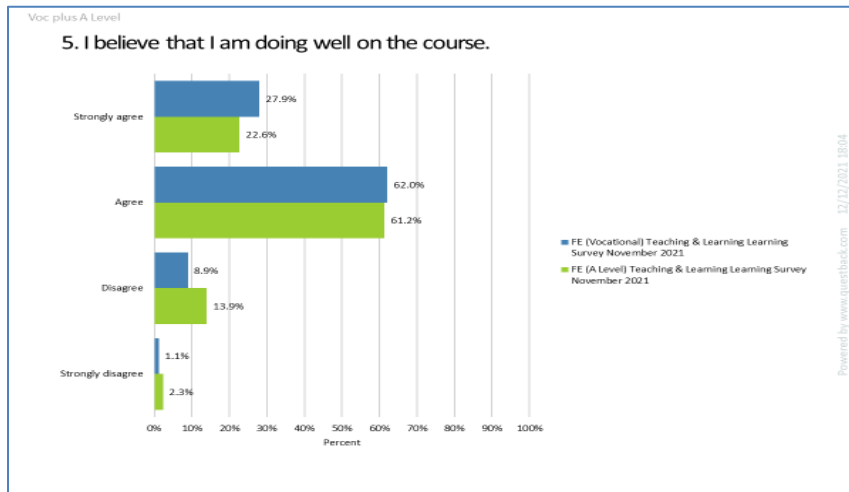
Learner Voice (Further Education)

In 2021/22, the focus of the further education annual learner voice survey was to gauge learner perception of teaching and learning. Overall, learners' perception in relation to their teaching and learning experiences continues to be positive, despite some continued disruption due to the pandemic.



COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022



Learner Voice (Higher Education)

Higher education students in their final year of study have continued to respond to the National Student Survey (NSS), and excellent student satisfaction scores have historically been achieved in teaching, learning and overall experiences in College.

Students experienced significant disruption in 2019/20 and 2020/21 during the Covid pandemic, with the majority (if not all) of their teaching and learning being undertaken remotely and online. For the first time, this led to a fall in student satisfaction.

In 2022, the College achieved the lowest response rate and levels of student satisfaction across nearly all aspects of the NSS survey.

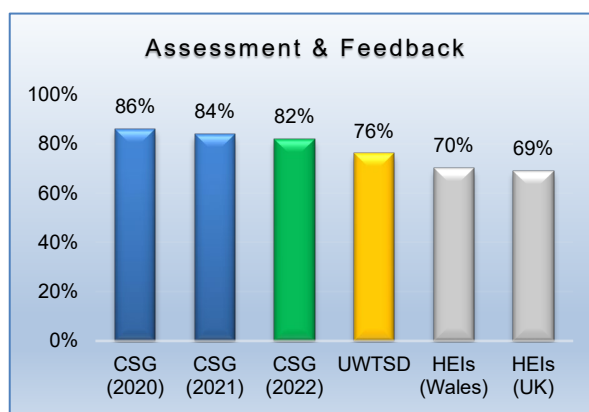
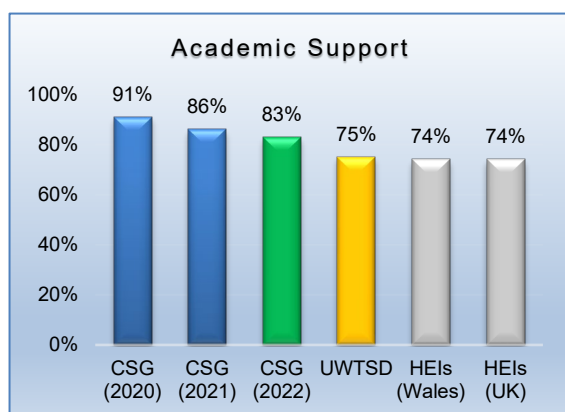
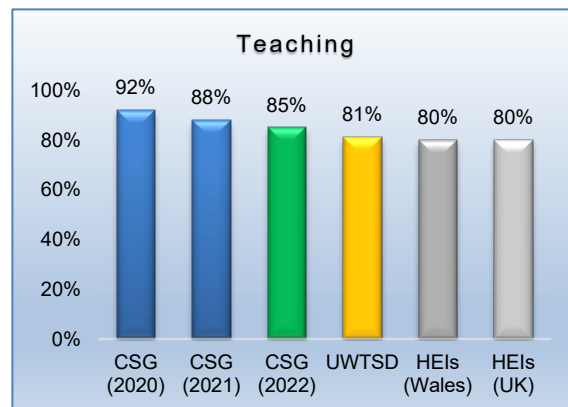
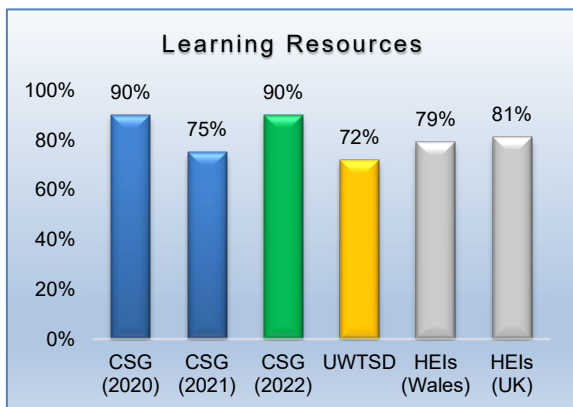
Student satisfaction with Learning Resources was an exception with a satisfaction score of 90%, and was significantly above the sector benchmarks.

The Welsh HEIs and the National HE sectors have also experienced significant decreases in student satisfaction of recent years

COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022

Despite this decreasing trend, student satisfaction at Coleg Sir Gar remains above HEI Sector averages in Wales and the UK across all categories of the survey. The College is undertaking further analysis of the results and will set action plans for areas requiring further improvement.



Capital Investment and Accommodation (Coleg Sir Gâr only)

Although there were no major building projects or acquisitions during the year, there has been a significant amount capital investment in relation to buildings maintenance, plant, equipment and IT expedited at the college for during 2021/22. Thanks to specific additional funding provided to support the college following the very challenging Covid pandemic, circa £ 1.1 m was spent on buildings maintenance (well over £ 400 k specifically on improving or driving the college “Carbon Net Zero “ position) , circa £ 1.2 m on teaching equipment all of which is linked to the college Carbon Net Zero initiative, and circa £ 650,000 on IT infrastructure and equipment.

The Future

The College sees a strong future for itself as part of the merged University of Wales: Trinity Saint David (“UWTSD”) group and has made a commitment to continuing to offer a strong further education provision across the county.

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

- Improving in learner outcomes
- Developing the college as a centre of excellence for teaching and learning
- Meeting the challenges of ‘Digital 2030’
- Meeting the requirements of the ALN Bill
- The development of the Welsh Baccalaureate Qualification at Level 3

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022

- Developing more Welsh medium provision
- Realising the benefits from merger for learners, staff and the wider community
- Maintaining a diversified curriculum portfolio across a range of sectors
- Developing more commercial training
- Developing strategies to cope with pressures in public funding
- Improving, rationalising and developing its estate in partnership with UWTSD and the County Council

Principal Risks and Uncertainties

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

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

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

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

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

1. Reduction in real terms of government funding

The College relies on government funding, and the current climate is such that there are continuous pressures on this income stream.

This risk is mitigated in a number of ways:

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

2. Failure to recruit and retain students

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

The risk is mitigated as follows:

COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022

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

3. General Economic Conditions : Energy & The cost of living crisis

The college is actively addressing operations to ensure the smooth continuity of operations as well as working closely with Welsh Government during these continued challenging times.

Key Performance Indicators

The College is pleased to confirm that the target of breakeven before defined benefit obligation costs has been more than achieved with an actual outturn before non-cash defined benefit obligation costs of £ 3,426,000 surplus (20/21: £2,748,000 surplus). The surplus for the year after defined benefit obligation costs is £1,073,000 (surplus of £528,000 in 20/21), with non-cash adjustments being £2,353,000 (20/21: £2,220,000).

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

The College continues to achieve high standards of quality for its teaching and learning function, and received a good Estyn report in at the last inspection (see Strategic Report) . Similarly, National Student Survey reports normally indicate a high level of student satisfaction.

This report was approved by the board on the 8th December 2022 and was signed on behalf of the board by:



Signature

Date: 8th December 2022.....

Maria Stedman
Director

COLEG SIR GÂR

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2022

The directors present their report and the audited financial statements of the Company for the year ended 31st July 2022.

Results and future developments

The results for the year, strategy and future developments of the Company are set out in the Strategic Report on pages 4 to 16.

Dividends

The Company is limited by guarantee. No dividends have been paid or are recommended for the year ended 31st July 2022.

Professional advisers

External auditor:	KPMG LLP, Cardiff
Internal auditors:	Mazars LLP, Bristol
Banker:	Barclays Bank Plc, Llanelli
Solicitor:	Eversheds, Hepworth & Chadwick, Cardiff

Directors

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

<u>Directors</u>	<u>% attendance at meetings</u>
Mrs Maria Stedman *(Chair)	100 %
John Edge*	100 %
Mr Huw Davies*	100 %
Mrs Jayne Woods *	75 %
Geraint Roberts*	100 %
Eifion Griffiths*	25 %
Mr Paul Jones*	25 %
Mr Delwyn Jones*	75 %
Mr Eoghan Powell *	50 %
Erica Cassin *	100 %
Angharad Harding*	75 %
Bryony Evett-Hackford *(resigned 01/12/ 21)	25 %
Marion Phillips *(resigned 09/12/21)	0 %
Madelaine Brereton*(appointed 07/10/21)	50 %
Andrew Cornish *(Principal)	100 %

(* non – executive directors)
(# Trustees)

COLEG SIR GÂR

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2022

(continued)

Directors' indemnities

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

Payment performance

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

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

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires Colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95 per cent. The College's performance in paying its suppliers during the year to 31 July 2022 was as follows:-

	2022	2022	2021	2021
	No	£000	No	£000
Total Invoices Received	6,613	17,916	4,465	16,371
Paid on time	5,186	15,580	3,143	14,757
% of total invoices received	79%	87%	71%	90%
Trade Creditors at 31 July - (Note 16)		1,537		1,852
		31 days		41 days

The College incurred no interest charges under The Late Payment of Commercial Debts (Interest) Act 1998.

Estate developments

The College regularly invests in the maintenance of the estate with planned annual programmes of maintenance carried out during the summer months. Annual budgets include an allocation for such works. No significant capital projects were undertaken in 21/22.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2022 (continued)

Equal opportunities

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

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

Stakeholder relationships

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

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

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

Staff and student involvement

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

Statement of directors' responsibilities

The Directors are required to present audited financial statements for each financial year under company law. The directors are responsible for preparing the Annual Report, the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Within the terms and conditions of the Financial Memorandum between the Welsh Government and the Directors are required to prepare financial statements and an operating and financial review for each financial year in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education, the Accounts Direction for Further Education Colleges in Wales and the UK's Generally Accepted Accounting Principles including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 College and its profit or loss for that period.

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

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
-

COLEG SIR GÂR

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2022 (continued)

- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Assess the College's ability to continue as a going concern, noting the key supporting assumptions or mitigating actions, as appropriate (which must be consistent with other disclosures in the accounts)
- prepare financial statements on the going concern basis unless it is inappropriate to assume that the College will continue in operation.

The Directors are also required to prepare a Members' Report which describes what it is trying to do and how it is going about it, including information about the legal and administrative status of the College.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the College's transactions and which disclose, with reasonable accuracy at any time, the financial position of the College and which enable them to ensure that the financial statements are prepared in accordance with relevant legislation including the Companies Act 2006, the Further and Higher Education Act 1992 and Charities Act 2011, and relevant accounting standards. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. They are responsible for taking steps that are reasonably open to them to safeguard the College's assets and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of its website(s); the work carried out by auditors does not involve consideration of these matters and, accordingly, auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors are responsible for ensuring that expenditure and income are applied for the purposes intended by the Welsh Government and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from the Welsh Government, and any other public funds, are used only in accordance with the Financial Memorandum with the Welsh Government and any other conditions that may be prescribed from time to time by the Welsh Government or any other public funder. Members must ensure that there are appropriate financial and management controls in place to safeguard public and other funds and ensure they are used properly. In addition, Directors are responsible for securing economical, efficient, and effective management of the College's resources and expenditure so that the benefits that should be derived from the application of public funds from the Welsh Government and other public bodies are not put at risk.

COLEG SIR GÂR

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2022 (continued)

Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 1st August 2021 to 31st of July 2022 (and prior year) :

	<u>Current year</u>	<u>Prior year</u>
Energy consumption to calculate emissions (kwh)	4,563,515	3,935,210
<u>Scope 1 emissions in metric tonnes Co2e</u>		
Gas	647	566
Owned transport	40	5
<u>Total scope 1</u>	<u>687</u>	<u>571</u>
<u>Scope 2 emissions in metric tonnes Co2e</u>		
Electricity	264	243
<u>Scope 3 emissions metric tonnes Co2e</u>		
Business travel employee owned vehicles	32	12
<u>Total Gross emissions in tonnes Co2 e</u>	<u>983</u>	<u>826</u>
<u>Intensity ratio tonnes Co2e per student</u>	<u>0.146</u>	<u>0.170</u>

Qualification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting guidelines. We have also used the GHG Reporting Protocol - Corporate Standard and have used the 2022 UK Government's conversion factors for Company Reporting

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes Co2e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

Smart metres are installed across all sites. Solar panels have been installed on 3 of our largest campuses which significantly reduce purchased electricity. Energy saving lightbulbs are installed wherever and whenever possible and staff travel is reduced due to a focus on conducting meetings virtually using software such as Teams or Google meet. The college has invested heavily in bicycle storage facilities and operates a Cycle to Work Scheme to encourage this cleaner healthier means of travel to college. During the year the college invested circa £ 290,000 on replace lightbulbs with more energy efficient LEDs, and circa £ 160,000 on bicycle storage facilities. Work has also been commissioned to install EV (Electric Vehicle) charging points at all our campuses. This work should be completed in 2023/2024.

Directors statement of compliance with duty to promote the success of the College

Engaging with our stakeholders (section 172 (1) statement)

The Board of Directors have a duty to promote the success of the Group for the benefit of its members as a whole having regards to the interests of our stakeholders (no shareholders as the company is limited by guarantee) , our students, Welsh Government, our clients, our employees, our relationships with our suppliers and the impact of our operations on the communities in which we operate, and to ensure that we maintain a reputation for high standards of quality, care and business conduct.

Our key stakeholders are our students, Welsh Government, our clients, local businesses, our employees and the communities within which we operate. Our suppliers and regulators are also important stakeholder groups. All key Board decisions consider the impact on relevant stakeholders. Increasingly, stakeholders are looking to understand our performance across multiple areas from performance to services, community engagement, innovation, governance,

COLEG SIR GÂR

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2022

(continued)

workplace practices and corporate citizenship. The Board endeavours to gain an understanding of the perceptions and attitudes of each stakeholder group and the weight they give to different issues. Where the views of different stakeholder groups do not align, the Board must decide on the best course of action to promote the company's long-term success.

Our students

Our students are at the heart of our business and operations. We aim to deliver the best possible standards of education and training as well as a safe, exciting and modern environment to study within coupled with the best possible experience during their time at the college.

Employees

As a service organisation, our employees are key to our business. We want our employees to feel engaged and empowered to deliver great outcomes for our students and indeed all our stakeholders. Staff wellbeing is particularly important to the college and as such we have a college wellbeing manager in post to specifically address both the student and staff wellbeing agenda. There are significant support mechanisms within the college to deal with any concerns that staff may have, and there is regular opportunity for supported professional development open to all who wish to apply. The college works closely with all staff unions to ensure the needs and concerns of staff are addressed and prides itself on having a very strong, collaborative and mutually beneficial relationship in this regard. Staff members also have a representative on the Board of Directors

Regulators

The college, being a Further Education Institution, works very closely with Welsh Government who are the principal funding body for the majority of the college grant income. Regular qualitative and financial reports are submitted regularly and success is dependent on an open, robust and reciprocal relationship.

The college as a company and charity, also reports via Companies House and the Charity commission.

Suppliers

A strong relationship with Suppliers is essential to ensure the continuity of our operations and thus our ability to service our stakeholders to the highest possible standards. This would include suppliers of product and services across our 5 campuses. We aim to treat our suppliers fairly and pay them within agreed timescales, if not sooner, and always conduct ourselves professionally and to the highest possible standards. We work closely with our suppliers to ensure that they have effective controls in place to protect our students (and stakeholders if applicable) 'health and safety' and the security and privacy of their data.

Communities and environment

We play an active role in the communities in which we operate and take care of the environment. We evaluate the business risks and opportunities associated with climate change, closely managing our environmental impact and actively promoting positive environmental practices.

Employee Involvement and Disabled Employees

The company continues to keep employees informed of matters affecting them and the financial and economic factors affecting the performance of the company. This is achieved through consultations/training sessions, a staff gateway which is continually updated, email, newsletters and social media. Applications for employment by disabled persons are given full and fair consideration.

COLEG SIR GÂR

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2022

(continued)

In the event of employees becoming disabled and being unable to continue within the existing role, every effort is made to retrain them in order that their employment with the college may continue. It

is the policy of the company that training, career development and promotion opportunities should be available to all employees at all times.

Political contributions

Neither the Company nor its subsidiary made any political donations or incurred any political expenditure during the period (2021 – donations £nil).

Other Information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on pages 4 – 16.

Statement of disclosure of information to Auditor

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

Independent auditor

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

This report was approved by the Board on the 8th December 2022 and was signed on behalf of the Board by:



.....

Mrs Maria Stedman
Director

Registered Address: Graig Campus, Sandy Road, Pwll, Llanelli. SA15 4DN

Date: 8th December 2022

COLEG SIR GÂR

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

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

In the opinion of the directors, the Company complies with all of the mandatory provisions of the code so far as they apply to the further education sector, and it has complied throughout the year ended 31 July 2022 and up to the date of this report.

The Board of Directors

The members of the Board of Directors are listed on page 17. It is the responsibility of the directors to bring independent judgement to issues of strategy, performance, resources and standards of conduct. The Company recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times.

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

The Company conducts its business through a number of committees. Each committee has terms of reference which have been approved by the Board. These committees are Search and Governance (covers Remuneration); Learner Curriculum and Skills; Standards; Resources and Business Engagement; and Audit and Risk Management.

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

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

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

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

Appointments to the Board of Directors

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

Search and Governance committee

Throughout the year ended 31 July 2022, the Institution's Search committee comprised four members of the Board of Directors. The committee's responsibilities are to make recommendations to the Board on the selection of directors and advisory body committee members, and on matters of governance; and determines the remuneration and conditions of employment of senior post holders,

COLEG SIR GÂR

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

including the Principal. Details of remuneration for the year ended 31 July 2022 are set out in note 6 to the financial statements.

Audit and Risk Management committee

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

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

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

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

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

Resources and Business Development committee

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

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

Learner, Curriculum and Skills (and Standards) committee.

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

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

Internal control

Scope of responsibility

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

The Board has delegated the day-to-day responsibility to the Principal for maintaining a sound system of internal control that supports the achievement of the Institution's policies, aims and objectives, whilst safeguarding the public funds and assets for which they are personally responsible, in accordance with the responsibilities assigned to them in the Financial Memorandum between Coleg Sir Gâr and WG. The Principal is also responsible for reporting to the Board any material weaknesses or breakdowns in internal control.

COLEG SIR GÂR

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Internal control (continued)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Institution policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Coleg Sir Gâr for the year ended 31 July 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board reviewed the key risks to which the Institution is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the Institution's significant risks that has been in place for the year ending 31 July 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board.

The risk and control framework

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

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

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

COLEG SIR GÂR

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Review of effectiveness

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

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

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

The senior management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The senior management team and the Audit and Risk Management committee also receive regular reports from internal audit, which include recommendations for improvement. The Audit and Risk Management committee's role in this area is confined to a high level review of the arrangements for internal control. The Board's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit and Risk Management committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2022 meeting, the Board carried out the annual assessment for the year ended 31 July 2022 by considering documentation from the senior management team and internal audit, and taking account of events since 31 July 2022.

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

Statement on regularity, propriety and compliance

The Governing Body has considered its responsibility to notify the Welsh Government of material irregularity, impropriety and non-compliance with the terms and conditions of funding, under the financial memorandum and contracts in place between the College and the Welsh Government. As part of our consideration we have had due regard to the requirements of the financial memorandum and contracts with the Welsh Government.

We confirm on behalf of the Governing Body, that after due enquiry, and to the best of our knowledge, we are able to identify any material irregular or improper use of funds by the College, or material non-compliance with the terms and conditions of funding under the college's financial memorandum and contracts with the Welsh Government.

We confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Welsh Government.

COLEG SIR GÂR

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Going concern

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

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements. After reviewing these forecasts, the Directors are of the opinion that, taking account of severe but plausible downsides, including the anticipated impact of the energy & cost of living crisis, the College will have sufficient funds to meet its liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period). Consequently, the Directors have prepared the financial statements on a going concern basis.

Training and Development – Board of Directors and Heads of Governance

- In-house induction training was delivered to 4 new Directors in September
- 2 directors and the Clerk attended an Advance HE EDI workshop during the year

External Review – Governance

An external review of Governance is undertaken at least once every 3 years. The last review was carried out by the Internal Audit Team – Mazars LLP - in May 2022.

By order of the Board



Mrs Maria Stedman

Director

Date: 8th December 2022

COLEG SIR GÂR

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLEG SIR GÂR; REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Coleg Sir Gar ("the College") for the year ended 31 July 2022 which comprise the Income and Expenditure Account, Statement of Changes in Reserves, Balance Sheet, Cash Flow Statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Going concern

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

In our evaluation of the directors' conclusions, we considered the inherent risks to the College's business model and analysed how those risks might affect the College's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the College's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the College will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, the Audit and Risk Committee, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board of Directors and Audit and Risk Committee meeting minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

COLEG SIR GÂR

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLEG SIR GÂR; REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk that management may be in a position to make inappropriate accounting entries. On this audit we did not identify a fraud risk related to revenue recognition due to the non-complex revenue recognition criteria, which limits the opportunity to fraudulently manipulate revenue.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the College-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included journals posted by individuals who typically do not make journal entries, revenue or cash journals made to unrelated accounts and unbalanced journal entries.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the College is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation and further education related legislation, including the Accounts Direction for Further Education Colleges in Wales issued by Welsh Government), distributable profits legislation and pensions legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the College is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, employment law, recognising the nature of the College's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

COLEG SIR GÂR

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLEG SIR GÂR; REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Other information

The directors are responsible for the other information, which comprises the strategic report, directors' report, the Statement of Governance and Internal Control, Statement of Regularity, Propriety and Compliance. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

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

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Trustees' Annual Report, which constitutes the strategic report and the directors' report for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the College, or returns adequate for our audit have not been received from branches not visited by us; or
- the College financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 19, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

In our opinion, in all material respects:

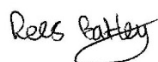
COLEG SIR GÂR

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLEG SIR GÂR; REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

- monies expended out of Welsh Government grants and other funds from whatever source administered by the College for specific purposes have been properly applied to those purposes and, if appropriate, managed in compliance with all relevant legislation;
- funding received from the Welsh Government (and other bodies and restricted funds where appropriate) has been applied in accordance with the Financial Memorandum between the Welsh Government and further education institutions; and
- the financial statements meet the requirements of the Accounts Direction for Further Education Colleges in Wales 2021/22 issued by Welsh Government.

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

This report is made solely to the College's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and paragraph 56(b) of the College's Articles of Association. Our audit work has been undertaken so that we might state to the College's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the College's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Rees Batley (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
66 Queen Square
Bristol
BS1 4BE
Date : 9 December 2022

COLEG SIR GÂR

COLLEGE STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2022

	Notes	2022 £000	2021 £000
Income			
Funding body grants	1	31,741	27,598
Tuition fees and education contracts	2	6,060	5,348
Other income	3	8,805	7,490
Investment income	4	34	5
Total income		46,640	40,441
Expenditure			
Staff costs	5	24,629	23,435
Fundamental restructuring costs	5	-	46
Other operating expenses	7	17,798	13,671
Depreciation	11	2,628	2,290
Interest and other finance costs	9	464	513
Total expenditure		45,519	39,955
Surplus/(Deficit) before other gains and losses		1,121	486
(Loss)/gain on disposal of fixed assets		1	4
Gain/(Loss) on investments		(49)	38
Surplus(Deficit) before tax		1,073	528
Taxation		-	-
Surplus/(Deficit) for the year		1,073	528
Actuarial gain/ (loss) in respect of pension schemes	21	21,820	4,626
Total Comprehensive Income for the year		22,893	5,154
Represented by :			
Unrestricted comprehensive income		22,893	5,154
Restricted comprehensive income			
		22,893	5,154

All amounts are derived from continuing operations.

The accompanying notes are an integral part of the Financial Statements

COLEG SIR GÂR

STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDING 31 JULY 2022

	Income and Expenditure account	Revaluation reserve	Endowments	Total
		£000	£000	£000
Balance at 31st July 2020	(14,747)	8,340	20	(6,387)
(Deficit) from the income & expenditure account	528	-	3	531
Other comprehensive income	4,626	-	-	4,626
Transfers between revaluation and income & expenditure reserves	192	(192)	-	-
Movement	5,346	(192)	3	5,157
Balance at 31st July 2021	(9,401)	8,148	23	(1,230)
Surplus/(Deficit) from the income & expenditure account	1,073	-	(1)	1,072
Other comprehensive income	21,820	-	-	21,820
Transfers between revaluation and income & expenditure reserves	192	(192)	-	0
Movement	23,085	(192)	(1)	22,892
Balance at 31st July 2022	13,684	7,957	22	21,663

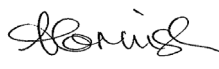
COLEG SIR GÂR

BALANCE SHEET AS AT 31 JULY 2022

		2022	2021
	Notes	£000	£000
Non-current assets			
Intangible fixed assets	10	-	-
Tangible fixed assets	11	31,499	31,821
Investments	12	254	303
Total fixed assets		31,753	32,124
Current assets			
Stocks	14	235	154
Trade and other receivables	15	4,069	2,968
Investments	13	17	18
Cash and cash equivalents		18,826	12,813
Total current assets		23,147	15,953
Less: Creditors: amounts falling due within one year	16	(12,576)	(8,940)
Net current assets		10,571	7,013
Total assets less current liabilities		42,324	39,137
Less: Creditors: amounts falling due after more than one year	17	(11,407)	(11,553)
Less: Provisions			
Defined benefit obligation	21	(8,214)	(27,681)
Other provisions	18	(1,040)	(1,133)
Total net assets		21,663	(1,230)
Restricted reserves :			
Income and expenditure reserve - Endowment reserve	20	22	23
Unrestricted reserves :			
Income and expenditure reserve - unrestricted		13,684	(9,401)
Revaluation reserve		7,957	8,148
Total unrestricted reserves		21,641	(1,253)
Total reserves		21,663	(1,230)

The financial statements on pages 32 to 62 were approved and authorised for issue by the Board on the 8th December 2022 and were signed on its behalf on that date by:

Chair: 
Date : 8th December 2022
Mrs Maria Stedman

Director: 
Date: 8th December 2022
Mr Andrew Cornish

Company registration no.: 8539630
Charity registration no.: 1152522

COLEG SIR GÂR

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2022

	Notes	2022 £000	2021 £000
Net cash inflow/(outflow) from operating activities	22	3,266	5,656
Cash flows from financing activities	23	(171)	(263)
Cash flows from investing activities	24	2,918	132
(Decrease)/Increase in cash and cash equivalents in the period		6,013	5,525
Cash and cash equivalents at 1 August	25	12,813	7,288
Cash and cash equivalents at 31 July	25	18,826	12,813

COLEG SIR GÂR

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES FOR THE YEAR ENDED 31 JULY 2022

Basis of preparation

Coleg Sir Gâr is a company limited by guarantee and incorporated and domiciled in the United Kingdom.

These financial statements have been prepared in accordance with the Companies Act as adapted to the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), in accordance with Financial Reporting Standard 102 – “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (FRS 102), the Companies Act 2006 and with the applicable WG Circular (2021-22). Coleg Sir Gâr is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the College's accounting policies.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention as modified by the use of previous valuations of certain fixed assets as deemed cost at transition to FRS 102 as at 1 August 2014. The accounting rules set out below have been applied consistently.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Going concern

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

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements. After reviewing these forecasts, the Directors are of the opinion that, taking account of severe but plausible downsides, including the anticipated impact of energy costs & the cost of living crisis, the College will have sufficient funds to meet its liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period). Consequently, the Directors have prepared the financial statements on a going concern basis.

Recognition of income

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. The recurrent grants from Welsh Government represent the funding allocations attributable to the current financial year and are credited direct to the income and expenditure account. Recurrent grants are recognised in line with planned activity. Any under-achievement against this planned activity is adjusted in-year and reflected in the level of recurrent grant recognised in the income and expenditure account.

Income from tuition fees is stated gross and recognised in the period for which it is received and includes all fees payable by students or their sponsors. Where the amount of tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income

COLEG SIR GÂR

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES FOR THE YEAR 31 JULY 2022 (continued)

Recognition of income (continued)

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

Donations with restrictions are recognised when relevant conditions have been met; in many cases recognition is directly related to expenditure incurred on specific purposes. Donations which are to be retained for the benefit of the institution are recognised in endowments; other donations are recognised by inclusion as other income in the income and expenditure account.

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

Non-recurrent grants from the Welsh Government or other government bodies received in respect of the acquisition or construction of fixed assets are treated as deferred capital grants and amortised in line with depreciation over the life of the assets under the accrual method as permitted by FRS 102.

Income from the sale of goods or services is credited to the income and expenditure account when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

Accounting for post-employment benefits

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

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

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

Short term employment benefits

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

COLEG SIR GÂR

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES FOR THE YEAR 31 JULY 2022 (continued)

Enhanced pensions

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

Tangible fixed assets

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

(a) Land and buildings

Freehold buildings are depreciated over their expected useful economic life to the College of between ten and fifty years. Leasehold land and buildings are depreciated over 50 years or, if shorter, the period of the lease. Freehold land is not depreciated.

Where land and buildings are acquired with the aid of specific grants they are capitalised and depreciated as above. The related grants are credited to a deferred income account within creditors and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year.

Assets in the course of construction are not depreciated until the College has full use of the asset, at which time they are depreciated in accordance with the policy stated above.

Finance costs, which are directly attributable to the construction of land and buildings, are not capitalised as part of the cost of those assets.

On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings, which were revalued in 1998, as deemed cost but not to adopt a policy of revaluations of these properties in the future.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable. An annual review of impairment indicators is carried out annually at the financial statement reporting date.

(b) Equipment (including fixtures and fittings)

Equipment costing less than £3,000 per individual item is written off to the income and expenditure account in the period of acquisition. Grouped items, which are in aggregate above the threshold but individually under, will be reviewed specifically to determine the approach. All other equipment is capitalised at purchase cost. Equipment inherited from the Local Education Authority has not been included in the balance sheet, as it was their policy to charge the full purchase cost of the asset to the income and expenditure account in the year of acquisition.

Equipment is depreciated over its useful economic life as follows:

General equipment	5% - 25 % per annum
Computer equipment	20% - 33 % per annum
Fixtures and fittings	10% - 25 % per annum

COLEG SIR GÂR

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES FOR THE YEAR 31 JULY 2022 (continued)

Where equipment is acquired with the aid of specific grants it is capitalised and depreciated in accordance with the above policy. The related grants are credited to a deferred income account within creditors and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year.

Intangible fixed assets

The College has acquired a number of milk quotas for use in conjunction with the College's farming activities. The cost of the milk quotas has been classified as an intangible fixed asset. Milk quotas are amortised over a 10 year period on a straight-line basis.

Leased assets

Costs in respect of operating leases are charged on a straight line basis over the lease term. Any lease premiums or incentives relating to leases signed after 1st August 2014 are spread over the minimum lease term. The College has taken advantage of the transitional exemptions in FRS 102, and has retained the policy of spreading lease premiums and incentives to the date of the first market rent review for leases signed before 1st August 2014.

Leasing agreements which transfer to the College substantially all of the risks and rewards of ownership of an asset are treated as if the asset had been purchased outright. These are capitalised at their fair value at the inception of the lease, and depreciated over the shorter of the lease term or the useful economic lives of equivalently owned assets. The capital element outstanding is shown as obligations under finance leases.

The finance charges are allocated over the period of the lease in proportion to the capital element outstanding. Where finance lease payments are funded in full from funding council capital equipment grants, the associated assets are designated as grant-funded assets.

Investments

Investments in subsidiaries are accounted for at cost less impairment in the financial statements.

Listed investments held as non-current assets and current asset investments, are stated at fair value, with movements recognised in Comprehensive Income. Investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment in their value, estimated using a valuation technique.

Stocks

Stocks are stated at the lower of their cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

Cash and cash equivalents

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

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

Maintenance of premises

The College has a ten-year rolling long-term maintenance plan which forms the basis of the ongoing maintenance of the estate. The cost of long-term and routine corrective maintenance is charged to the income and expenditure account as incurred.

COLEG SIR GÂR

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES FOR THE YEAR 31 JULY 2022 (continued)

Financial assets, liabilities and equity

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

All loans, investments and short term deposits held by the College are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost. Loans and investments that are payable or receivable within one year are not discounted.

Foreign currency translation

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

Taxation

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

The College receives no similar exemption in respect of Value Added Tax.

The College's subsidiary company CCTA Enterprises Ltd is subject to corporation tax and VAT in the same way as any commercial organisation.

Provisions

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

Livestock

Livestock is treated as a fixed asset where it is intended for use on a continuous basis for the College's activities. Livestock is revalued on an annual basis with no depreciation charge being made. The movement between successive valuations is charged or credited to the income and expenditure account.

Agency costs

The College acts as an agent in the collection and payment of financial contingency funds and educational maintenance allowances. Related payments received from Welsh Government and subsequent disbursements to students and institutions are excluded from the income and expenditure of the College where the College is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Accounting for charitable donations and endowments

Non-exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised in income when the College is entitled to the funds.

COLEG SIR GÂR

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES FOR THE YEAR 31 JULY 2022 (continued)

Accounting for charitable donations (continued)

Income is retained within the restricted reserve until such time that any donor imposed restrictions attached to the donations and endowments are met at which time the income is released to general reserves through a reserves transfer. Donations with no restrictions are recognised in income when the College is entitled to the funds.

Investment income and movements in fair value of endowments are recorded in income in the year in which they arise and as either restricted or unrestricted income according to the terms of the restrictions applied to the individual endowment funds.

There are three main types:

1. Unrestricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the institution
2. Restricted expendable endowments – the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the institution can convert the donated sum into income
3. Restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective

Judgements in applying accounting policies and key sources of estimation uncertainty

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

- Determine whether there are indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- ***Tangible fixed assets***

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

- ***Local Government Pension Scheme***

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 July 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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NOTES TO THE FINANCIAL STATEMENTS

1 Funding body grants

	2022	2021
	£000	£000
Recurrent grant	24,588	22,520
Work based learning	4,461	2,824
Specific grants	1,101	1,046
Capital grants:		
Buildings	420	414
Equipment	1,171	794
	31,741	27,598

2 Tuition fees and education contracts

	2022	2021
	£000	£000
UK higher education students	3,733	3,893
UK further education students	84	46
Non-EU students	6	10
Total tuition fees paid by or on behalf of individual students	3,823	3,949
Education contracts		
Higher Education contracts	623	627
Other contracts	1,614	772
	6,060	5,348

3 Other income

	2022	2021
	£000	£000
Residencies and catering	587	161
Non-government capital grants	-	-
Farming activities	1,351	1,079
Other income-generating activities	1,439	1,113
Other grant income:		
European funds	2,270	2,113
Other funds	2,926	2,755
Other income	232	269
	8,805	7,490

4 Investment income

	2022	2021
	£000	£000
Interest receivable	34	5
	34	5

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

5 Staff costs

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

	2022 Number	2021 Number
Teaching departments:		
Teaching staff	217	213
Other staff	22	22
	239	235
Teaching support services	14	16
Other support services	26	26
Administration and central services	94	103
Premises	17	20
Other income-generating activities	93	93
Catering and residences	-	-
Farm	10	10
	493	503
Based on an average Headcount basis : Teaching staff	319	319
Support Staff	334	342
Staff costs for the above persons:		
	2022 £000	2021 £000
Teaching departments		
Teaching staff	11,826	11,230
Other staff	631	593
	12,457	11,823
Teaching support services	518	523
Other support services	915	853
Administration and central services	4,273	3,983
Premises	565	577
Other income-generating activities	3,785	3,504
Catering and residences	-	-
Farm	270	264
Restructuring costs	-	46
Pension costs	(78)	163
FRS 102 (Section 28 –Pension Cost)	1,920	1,750
Holiday pay accrual	4	(5)
	24,629	23,481
	2022 £000	2021 £000
Wages and salaries	17,346	16,762
Social security costs	1,693	1,561
Other pension costs	5,590	5,112
	24,629	23,435
Restructuring costs	-	46
	24,629	23,481

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

5 Staff costs (continued)

The number of staff, including key management personnel (as defined in note 6), who received emoluments in the following ranges were:

	2022 Number	2021 Number
£60,001 - £65,000	3	2
£65,001 - £70,000	-	-
£70,001 - £75,000	-	-
£75,001 - £80,000	3	3
£80,001 - £85,000	-	2
£85,001 - £90,000	2	1
£90,001 - £95,000	1	-
£160,000 - £165,000	1	1
	10	9

A pay award of 1.75 % was approved by the Board and paid with effect from 1 August 2021 for all staff, with the exception of the Principal who received a pay increase of 1.87 % (2021: 26 %). For these purposes, emoluments include taxable benefits in kind but not employer pension costs.

6 Key management personnel emoluments

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the College Leadership Team which comprises the Principal, and vice principals.

The number of key management personnel, including the Principal, was 4 (2021: 4).

	2022 Number	2021 Number
£70,001 - £75,000	-	-
£75,001 - £80,000	-	-
£80,001 - £85,000	-	2
£85,001 - £90,000	2	1
£90,001 - £95,000	1	-
£160,001 - £165,000	1	1
	4	4

Key management personnel emoluments are made up as follows:

	2022 £	2021 £
Salaries	427,390	417,616
Benefits in kind	2,959	2,881
	430,349	420,497
Pension contributions	97,840	88,138
Total emoluments	528,189	508,635

The above emoluments include amounts payable to the Principal (who is also the highest paid member of the key management) of:

	2022 £	2021 £
Salaries	160,000	160,651
Benefits in kind	2,959	2,881
	162,959	163,532
Pension contributions	37,888	38,042
Total emoluments	200,847	201,574

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

The pension contributions in respect of the Principal and other senior post-holders are in respect of employer's contributions to the Local Government and Teachers Superannuation Schemes and are paid at the same rate as for other employees.

The Board members, other than the Principal and staff members, did not receive any payment from the College other than the reimbursement of travel and subsistence expenses of £0 (2021: £0) incurred in the course of their duties.

The Principal received a pay increase of circa 1.87 % (2021: 26%), but other higher paid staff (including key management personnel), received a pay increase of 1.75 % during the year (2020: 2.75%).. No bonuses or other salary enhancements were awarded to key management personnel or other higher paid staff (2021: nil). The Principal's salary, as a multiple of the median of all employees pay (all full and part time staff but excluding agency workers) was 5.5 in 2022 (2021 : 5.4). Similarly, the multiple based on all emoluments was 5.7 in 2022 (2021 : 5.5).

The remuneration of the Principal is benchmarked on typical Further Education institutions of a similar size and complexity and reflects the challenges and magnitude of the role. Colegsirgar, combined with its' subsidiary company, Coleg Ceredigion, is a large company with a combined turnover of over £ 47 m with a staff headcount of over a 650, spilt across a very diverse area; indeed, crossing 2 counties : Carmarthenshire and Ceredigion. The task of managing the 7 sites, so widely dispersed, is complicated and challenging.

Key performance measures would include achieving the highest possible standards of quality in terms of our teaching and learning operation whilst providing an exciting, innovative and inclusive environment for students and staff to work within, and at all times to do so within the resources provided.

A constant challenge is to achieve efficiency of operations, combined with a drive to seek out and secure new sources of income where possible. This can only be achieved by working with all the college stakeholders, of which there are many, and ensuring a harmonious, collaborative and fair environment to all.

In addition, since the college is part of a wider group as a subsidiary of the University of Wales : Trinity Saint David, the Principal plays an important role in terms of working closely with the university to achieve mutually beneficial planned and agreed objectives, designed to create the highest level of teaching quality and learner experience whilst facilitating a lifelong learning culture and environment.

The Principal reports directly to the Board of Directors who are ultimately responsible for the performance of the college. The Directors also evaluate and assess the Principal's effectiveness in terms of managing the college and similarly, the remuneration package for the role.

The Directors have carried out an assessment with regards the Principal's salary and believe, that the salary is commensurate with the role at the college. To derive this conclusion, an assessment of the size, complexity, challenges and responsibility would have been undertaken, along with a benchmarking exercise of other FE colleges of similar size and complexity.

COLEG SIR GÂR

7 Other operating expenses

	2022 £000	2021 £000
Teaching departments	1,366	750
Teaching support services – libraries & resource centres	51	62
- examination fees	622	593
- student transport	823	807
Other support services	56	20
Administration and central services	8,788	5,681
General education expenditure	306	266
Premises:		
Running costs	1,180	975
Routine maintenance	764	1,220
Rents and leases	229	165
Planned maintenance	-	-
Other income generating activities	9	4
Catering and residence operations	666	346
Farming activities	817	677
Franchised provision	759	993
Irrecoverable value added tax	1,362	1,112
	17,798	13,671

Other operating expenses include:

	£000	£000
Auditor's remuneration:		
Financial statements audit	33	32
Other services provided by the financial statements auditor (regulatory return services)	10	5
Internal audit	22	22
Registration fees	67	83
Hire of other assets – operating leases	159	156

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

8 Costs in respect of overseas activities

The following costs were incurred during 2021-2022 in respect of overseas activities, which were carried out in accordance with the strategy approved by the governing body:

	Travel and Accommodation £	Subsistence Hospitality £	Other Costs £	Number of Visits
Members	-	-	-	-
Key management personnel	-	-	-	-
Other staff	-	-	-	-
	-	-	-	-

9 Interest and other finance costs

	2022 £000	2021 £000
On finance leases	31	43
Pension finance costs (see note 21)	433	470
	464	513

10 Intangible fixed assets

	Milk quota £000
Cost	
At 1 August 2021 and 31 July 2022	302
Accumulated Amortisation	
At 1 August 2021	302
Charge for the year	-
At 31 July 2022	302
Net book value	
At 31 July 2022	-
At 31 July 2021	-

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

11 Tangible fixed assets

	Freehold land and buildings £000	Equipment £000	Fixtures and fittings £000	Livestock £000	Total £000
Cost or valuation					
At 1 August 2021	43,454	7,562	3,745	372	55,133
Additions	407	1,835	51	14	2,307
Revaluation	-	-	-	-	-
Disposals	-	(12)	(353)	-	(365)
At 31 July 2022	43,861	9,385	3,443	386	57,075
Accumulated Depreciation					
At 1 August 2021	15,066	5,727	2,519	-	23,312
Charge for the year	905	1,100	623	-	2,628
Eliminated on disposal	-	(10)	(354)	-	(364)
At 31 July 2022	15,971	6,817	2,788	-	25,576
Net book value					
At 31 July 2022	27,890	2,568	655	386	31,499
At 31 July 2021	28,388	1,835	1,226	372	31,821

Analysis of net book value at 31 July 2022

Inherited	7,957	-	-	-	7,957
Financed by capital grant	10,782	2,052	-	-	12,834
Other	9,151	516	655	386	10,708
	27,890	2,568	655	386	31,499

Land and buildings were revalued in 1998 at depreciated replacement cost by Cooke & Arkwright, a firm of independent chartered surveyors. On adoption of FRS 102, revalued properties have been treated as deemed cost. The analysis of cost or valuation of the tangible fixed assets as at 31 July 2022 is as follows:

Cost or valuation at 31 July 2022 represented by:

Valuation in 1998 (see above)	19,716	-	-	386	20,102
Cost	24,145	9,385	3,443	-	36,973
	43,861	9,385	3,443	386	57,075

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

11 Tangible assets (continued)

Freehold land and buildings

	Occupied for own use £000	Investment properties £000	Properties under development £000	Total £000
Cost or valuation				
At 1 August 2021	43,454	-	-	43,454
Transferred in the year	-	-	-	-
Additions	407	-	-	407
Disposals	-	-	-	-
At 31 July 2022	43,861	-	-	43,861
Accumulated Depreciation				
At 1 August 2021	15,066	-	-	15,066
Charge for the year	905	-	-	905
Disposals	-	-	-	-
At 31 July 2022	15,971	-	-	15,971
Net book value				
At 31 July 2022	27,890	-	-	27,890
At 31 July 2021	28,388	-	-	28,388
Analysis of net book value at 31 July 2022				
Inherited	7,957	-	-	7,957
Financed by capital grant	10,782	-	-	10,782
Other	9,151	-	-	9,151
	27,890	-	-	27,890

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

12 Non-current investments

	2022 College £000	2021 College £000
Investment in subsidiary company	-	-
Other non-current asset investments	254	303
	254	303

The College's investments are in the following subsidiaries:

Name of company	Holding	Country of Incorporation	Activity
Coleg Ceredigion	Limited by Guarantee	Wales	Further Education College
CCTA Enterprises Limited	100%	Wales	Dormant
Rareblend Limited	100%	Wales	Dormant

Other non-current asset investments

	Listed investments £000	Other investments £000	Total £000
Cost or valuation			
At 1 August 2021	100	203	303
Additions	-	-	-
Revaluation	(49)	-	(49)
At 31 July 2022	51	203	254
Cost or valuation at 31 July 2022 represented by:			
Valuation	51	-	51
Cost	-	203	203
	51	203	254

13 Current investments

	2022 £000	2021 £000
Endowment assets		
Balance at 1 August	18	16
Increase in value of investments	(1)	2
Income for the year	-	-
Expenditure for the year	-	-
Balance at 31 July	17	18
Represented by:		
COIF Charities Investment Fund Holdings	17	18
	17	18

14 Stock

	2022 £000	2021 £000
Livestock for resale	224	143
Other stock	11	11
	235	154

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

15 Trade and other receivables

	2022 £000	2021 £000
Amounts falling due within one year:		
Trade debtors	351	267
Amounts owed by group undertakings : subsidiaries	-	-
other	14	21
Prepayments and accrued income	3,704	2,680
	4,069	2,968

Note: Amounts owed by subsidiary undertakings are payable on demand but the current intention is that they will not be called in within one year. Other refers to the parent company UWTSD.

16 Creditors: amounts falling due within one year

	2022 £000	2021 £000
Obligations under finance leases	176	176
Payments received in advance	6,430	3,648
Trade payables	1,025	1,109
Amount owed to group undertakings : subsidiary	654	-
Amount owed to group undertakings Other	86	350
Taxation and social security	426	393
Accruals and deferred income	2,188	2,056
Deferred income – government capital grants	1,591	1,208
	12,576	8,940

Note: Amounts owed to group undertakings are repayable on demand and do not accrue interest

17 Creditors: amounts falling due after more than one year

	2022 £000	2021 £000
Bank loans and overdrafts	-	-
Obligations under finance leases	163	338
Deferred income - government capital grants	11,244	11,215
Total	11,407	11,553

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

17 Creditors: amounts falling due after more than one year (continued)

Finance leases

	2022 £000	2021 £000
The net finance lease obligations to which the institution is committed are :		
In one year or less	176	176
Between two and five years	163	338
In five years or more	-	-
	340	514

18 Other provisions

	Enhanced Pension Provision £000	HE Fees £000	ESF £000	Total £000
At 1 August 2021	685	229	219	1,133
Utilised in the period	(58)	-	-	(58)
Released in the period	-	-	-	-
Transferred from income and expenditure account	(35)	-	-	(35)
At 31 July 2022	592	229	219	1,040

The ESF provision relates to a potential repayment of European Funds in relation to the overhead methodology. The HE Fees is in relation to a potential reclaim of course fees by students. The enhanced pension provision relates to staff who have already left the College's employ and commitments for reorganisation costs from which the College cannot reasonably withdraw at the balance sheet date. The provision has been recalculated in accordance with the latest LSC circular. The principal assumptions for this calculation are:

	2022	2021
Interest rate	3.3 %	1.6 %
Net interest rate	2.9 %	2.6 %

COLEG SIR GÂR
NOTES TO THE FINANCIAL STATEMENTS (continued)

19 Deferred income – capital grants

	2022	2021
	£000	£000
Amounts falling due within one year	1,591	1,208
Amounts falling due after more than one year	11,244	11,215
	12,835	12,423

The movement in capital grants is as follows:

	WG	Other grants	Total
	£000	£000	£000
At 1 August 2021			
Land and buildings	8,430	2,473	10,903
Equipment	886	634	1,520
Cash received			
Land and buildings	299	-	299
Equipment	1,703	-	1,703
Released to income and expenditure account			
Land and buildings	(314)	(105)	(419)
Equipment	(871)	(300)	(1,171)
At 31 July 2022			
Land and buildings	8,415	2,368	10,783
Equipment	1,718	334	2,052
	10,133	2,702	12,835

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

20 Endowment reserves

Year ended 31st July 2022

	Unrestricted Permanent £000	Restricted Expendable £000	Restricted Permanent £000	Restricted Total £000	Total £000
Balance at 1 August 2021					
Capital	-	23	-	23	23
Accumulated interest	-	-	-	-	-
Total	-	23	-	23	23
Increase in market value of investments	-	(1)	-	(1)	(1)
Expenditure for the year	-	-	-	-	-
Balance at 31 July 2022					
Capital	-	22	-	22	22
Accumulated interest	-	-	-	-	-
Total	-	22	-	22	22
Representing:					
Fellowship and scholarship funds	-	18	-	18	18
Prize funds	-	4	-	4	4
Total	-	22	-	22	22

Year ended 31st July 2021

	Unrestricted Permanent £000	Restricted Expendable £000	Restricted Permanent £000	Restricted Total £000	Total £000
Balance at 1 August 2020					
Capital	-	19	-	19	19
Accumulated interest	-	-	-	-	-
Total	-	19	-	19	19
Increase in market value of investments	-	4	-	4	4
Expenditure for the year	-	-	-	-	-
Balance at 31 July 2021					
Capital	-	23	-	23	23
Accumulated interest	-	-	-	-	-
Total	-	23	-	23	23
Representing:					
Fellowship and scholarship funds	-	19	-	19	19
Prize funds	-	4	-	4	4
Total	-	23	-	23	23

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

21 Pension and similar obligations

The College's employees belong to two principal pension schemes, the Teachers Pension Scheme (TPS) which is unfunded and the Local Government Pension Scheme (LGPS) which is funded. Both are multi-employer defined benefit plans, the assets of the schemes being held in separate trustee-administered funds.

The total pension cost for the College was:

	2022 £000	2021 £000
TPS: Contributions paid	2,216	2,098
LGPS: Charge to the Statement of Comprehensive Income:		
Contributions paid	1,454	1,310
FRS 102 charge	2,353	2,220
Staff restructuring (see below)	(78)	45
Total pension cost	5,945	5,673
	2022 £000	2021 £000
Staff restructuring		
Benefits recharged during the year by the LGPS	58	58
Other staff restructuring costs	(136)	(13)
	(78)	45
	2022 £000	2021 £000
Total Contributions to LGPS		
Benefits recharged during the year by the LGPS	58	58
Employer normal contributions	1,454	1,310
	1,512	1,368

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

LGPS (Local Government Pension Scheme)

The last full actuarial valuation was performed on 31 March 2019 at which date the market value of assets of the scheme was £2,576 million. The actuarial value of the assets represented 105% of the fund's accrued liabilities after allowing for future increases in earnings. This equates to a surplus of £132 m.

The main feature of the funding plan is that contribution rates should be assessed based on recovery of any deficit over a maximum period of 14 years. The primary contribution rate used is 18.2% (15.2 % in March 2016) of pensionable pay. The secondary rate is an offset of approximately £3.0 m per annum (£ terms) including estimated costs for the McCloud judgement where appropriate.

The agreed contribution rate for the College year commencing 1 April 2022 is 20% (2021: 20%), plus a fixed monthly payment of £0 (2021 : £0 per annum).

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

21 Pension and similar obligations (continued)

An actuarial valuation of the scheme was also carried out at 31 July 2022, 31 July 2021 and at 31 July 2020 by a qualified independent actuary using the projected unit method. The major assumptions used by the actuary were:

	2022	2021	2020
Rate of inflation - CPI	2.70%	2.60%	2.30%
Rate of increase in salaries	4.20%	4.10%	3.80%
Rate of increase in pensions	2.80%	2.70%	2.40%
Discount rate	3.50%	1.60%	1.60%
Mortality			
1	Years	Years	Years
Retiring Today - Males	23.0	23.1	23.0
Retiring Today - Females	24.9	25.0	24.9
Retiring in 20 years' time - Males	24.4	24.7	24.5
Retiring in 20 years' time – Females	27.1	27.2	27.1

Asset allocation:

	2022	2021	2020
	Split	Split	Split
	%	%	%
Equities	70.4	75.0	71.7
Government bonds	1.4	1.8	4.4
Other bonds	7.3	8.2	9.6
Property	15.8	10.4	11.9
Cash/Other	5.1	4.6	2.4
	100.0	100.0	100.0

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

21 Pension and similar obligations (continued)

The following amounts at 31 July 2022, 31 July 2021 and at 31 July 2020 were measured in accordance with the requirements of FRS 102:

	2022	2021	2020
	£000	£000	£000
Fair value of plan assets	54,837	54,821	45,194
Liabilities	(63,051)	(82,502)	(75,281)
Deficit in the scheme/net pension liability	(8,214)	(27,681)	(30,087)

The following components of the pension charge have been recognised in the Statement of Comprehensive Income for the years ended 31 July 2022 and 31 July 2021:

	2022	2021
	£000	£000
Amounts recognised in the statement of Comprehensive Income :		
Amounts included in staff costs		
Current service cost	(3,403)	(3,090)
Administration cost	(29)	(28)
Curtailment cost	-	-
Operating cost	(3,432)	(3,118)
Analysis of amounts charged to financing of provisions		
Expected return on assets	881	729
Interest on pension liabilities	(1,314)	(1,199)
Net finance (cost)/income	(433)	(470)
Amounts recognised in other Comprehensive Income		
Difference between actual and expected return on scheme assets	(1,376)	8,175
Effects of changes in assumptions underlying the present value of scheme liabilities	23,196	(3,549)
Actuarial (loss)/gain	21,820	4,626
Movement in the College's share of the scheme's deficit during the year		
Deficit in scheme as at 1 August	(27,681)	(30,087)
Operating cost	(3,432)	(3,118)
Net finance (cost)/income	(433)	(470)
Actuarial (loss)/gain	21,820	4,626
Contributions	1,512	1,368
Deficit in scheme as at 31 July	(8,214)	(27,681)

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

21 Pension and similar obligations (continued)

Asset and Liability Reconciliations:

Reconciliation of Liabilities	2022	2021
	£000	£000
Liabilities at start of year	82,502	75,281
Current service cost	3,403	3,090
Interest cost	1,314	1,199
Contribution by scheme participants	454	446
Actuarial loss/(gain)	(23,196)	3,549
Benefits paid	(1,426)	(1,063)
Curtailments and settlements	-	-
Liabilities at end of year	63,051	82,502
Reconciliation of Assets	2022	2021
	£000	£000
Assets at start of year	54,821	45,194
Expected return on assets	881	729
Actuarial gain/(loss)	(1,376)	8,175
Administration expenses	(29)	(28)
Contributions by the employer	1,512	1,368
Contributions by the scheme participant	454	446
Benefits paid	(1,426)	(1,063)
Assets at end of year	54,837	54,821

The expected return on assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields at the balance sheet date. Expected returns on equity investments reflect long-term rates of return experienced in the respective markets.

History of experience gains and losses

	2022	2021
Defined benefit obligation (£000)	(63,051)	(82,502)
Plan assets (£000)	54,837	54,821
Deficit (£000)	(8,214)	(27,681)
Difference between actual and expected return on scheme assets:		
Amount (£000)	(1,376)	8,175
Percentage of scheme assets	-2.5%	14.9%
Experience gains and losses arising on scheme liabilities:		
Amount (£000)	-	-
Percentage of scheme liabilities	-	-
Effects of changes in assumptions underlying the present value of scheme:		
Amount (£000)	23,196	(3,549)
Percentage of scheme liabilities	43.8%	(4.3%)
Total of amounts recognised in the statement of Comprehensive income:		
Amount (£000)	21,820	4,626
Percentage of scheme liabilities	34.6%	5.6%

21 Pension and similar obligations (continued)

Emerging inflation

Pension increases, deferred revaluations and increases to CARE benefits in the LGPS are awarded in April each year but based on the CPI index as measured at the preceding September. The April 2022 pension increase award was therefore based on September 2021 CPI. Over recent months, UK inflation has risen rapidly in comparison to recent years, leading to a c. 9% increase in the CPI index between September 2021 and July 2022. In previous years, the LGPS Actuaries have generally made no allowance for actual inflation experience between the reference month (September) and the accounting date (July) on the grounds that it was not significantly different to the forward-looking long-term CPI assumption used in its place.. However, making no allowance as at 31 July 2022 would lead to a c. 6% understatement of the gross defined benefit obligation. Therefore there has been a change in approach in allowing for inflation experience at 31 July 2022 to make allowance for the exceptionally high inflation over the period since September 2021. The defined benefit obligation as at 31 July 2022 now includes an allowance for the April 2022 pension increase and the impact of actual CPI since September 2021 as experience item.

Post balance sheet events

Markets have moved significantly since 31 July 2022: long-dated AA corporate bond yields (used to set the discount rate) have increased significantly during the period, which acts to reduce the defined benefit obligation. The reduction in defined benefit obligation will likely be partially offset by a reduction in the value of fixed interest and liability matching investments, and different Funds have different asset mixes so the impact on the net balance sheet position will depend on the specific assets held.

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

21 Pension and similar obligations (continued)

TPS (Teachers Pension Scheme)

This report sets out the results of the actuarial valuation of the combination of the Teachers' Pension Scheme ('pre 2015 Scheme') 6 and the 2015 Teachers' Pension Scheme ('2015 Scheme') 7 (Teachers' Pension Scheme or 'the Scheme'). The Scheme provides pensions and other benefits to teachers who have worked in schools or other educational establishments in England and Wales. The Scheme is an unfunded statutory public service pension scheme with the benefits underwritten by the Government. The Scheme is financed by payments from the employer and from those current employees who are members of the Scheme, who pay contributions at different rates based on pay and as specified in the regulations

The latest actuarial valuation of the scheme was carried out as at 31 March 2016 and in accordance with The Public Service Pensions (Valuations and Employers Cost Cap) Directions 2014. The Government Actuary (GA) reported on the valuation of the Teachers' Pension Scheme on 9 June 2014. The GA concluded that:

- at the date of the valuation, the liabilities in the scheme were £196.1 bn and the value of the assets was £218.1 bn giving a notional past service deficit of £22 bn;
- the total recommended rate of contribution payable by employers from 1 September 2019 is 23.6 % (previously 16.4%) of salary; and

The financial assumptions adopted for the current valuation and, for comparison, those adopted for the 2012 valuation, are shown below:

	2016 Valuation	2012 Valuation
Discount rate :		
Real	2.40%	3.00%
Nominal	4.45%	5.06%
Pensions increases	2.00%	2.00%
Long term salary growth	4.20%	4.75%
- In excess of assumed CPI	2.20%	2.75%

FRS 102 (28)

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension scheme.

The TPS is unable to provide for the College an identification of its share of the underlying (notional) assets and liabilities of the scheme. Accordingly, the College has taken advantage of the exemption of FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The College has set out above the information available on the scheme and the implication for the College in terms of the anticipated contribution rates.

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

22 Reconciliation of consolidated operating surplus/(deficit) to net cash inflow/(outflow) from operating activities

	2022 £000	2021 £000
Surplus/(Deficit) for the year	1,073	528
Adjustments for investing or financing activities:		
Interest paid	31	43
Interest (received)	(34)	(5)
Adjustments for non-cash items:		
Depreciation (note 11)	2,628	2,290
Increase in provision for bad and doubtful debts	103	(105)
Surplus on disposals of fixed assets	(1)	(4)
Revaluation of investments	49	(38)
Deferred capital grants released to income:		
WG (note 1)	(1,591)	(1,208)
Specific grants released to income	(424)	(317)
Pension cost less contributions payable	2,353	2,220
(Increase)/Decrease in stocks	(95)	(18)
Decrease/ (Increase) in debtors	(166)	270
(Increase)/decrease in prepayments and accrued income	(1,038)	1,501
Increase/(decrease) in creditors	(435)	684
(Decrease)/increase in other taxation and social security	34	6
Increase/(decrease) in accruals	872	(357)
Increase/(decrease) in provisions	(93)	166
Net cash inflow/(outflow) from operating activities	3,266	5,656

23 Cash flows from financing activities

	2022 £000	2021 £000
Interest received	34	5
Interest element of finance lease rental payments	(31)	(43)
Capital element of finance lease payments	(174)	(225)
	(171)	(263)

24 Cash flows from investing activities

	2022 £000	2021 £000
Payments to acquire tangible fixed assets	(2,292)	(2,236)
Proceeds from disposal of tangible fixed assets	3	4
Proceeds from disposal of investments	-	-
Deferred capital grants received	2,003	1,593
Unspent specific grants received	3,204	771
	2,918	132

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

25 Cash and cash equivalents

	2022	2021
	£000	£000
Cash in hand and at bank	18,610	12,600
Cash Equivalents	216	213
Net cash	12,826	12,813

26 Capital commitments

	2022	2021
	£000	£000
Commitments contracted for at 31 July	-	-

27 Financial commitments

At 31 July 2022 the College was committed to making the following minimum lease payments under non-cancellable operating leases:

	2022	2022	2021	2021
	Land and	Other	Land and	Other
	buildings		buildings	
	£000	£000	£000	£000
Not later than one year	30	41	30	45
Later than one year and not later than five years	16	94	16	93
Later than five years	-	-	-	-
	46	135	46	138

28 Related party transactions

The College maintains a register of its interests for Directors of the Company and key management personnel. The following were outstanding / carried out during the year ended 31st July 2022:

CCTA Enterprises Ltd

- £ 250 receivable (2021 : £250), £0 payable (2021 : £0)
- Total income for the year £0 (2021 : £ 0), total purchases £0 (2021 : £ 0)

Coleg Ceredigion - Group Member

- £0 receivable (2021: £0), £653,910 payable (2021 : £0)
- Total income for the year £0 (2021: £0), total purchases £3,140 (2021: £230)

-

UWTSD – Parent

- £14,108 receivable (2021: £21,341) , £66,000 payable (2021: £350,018)
- Total income for the year £3,770,867 (2020: £4,376,4257), total purchases £1,029,342 (2021: £1,391,638)

Fforwm Services Limited

- £0 payable (2021: £0)
- Total purchases for the year £59,232 (2021: £54,354)

Note : Transactions amongst the group companies are for services rendered. FForwm, is the subscription cost for the Colleges Wales services provided to all Welsh FE colleges.

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

29 Amounts dispersed as agents

The College acts as agent in the administration of learner support funds which are available solely for students. The grants and related disbursements are excluded from the income and expenditure account.

Financial Contingency Funds	2022	2022	2022	2021	2021	2021
	WG	HEFCW	Total	WG	HEFCW	Total
	£000	£000	£000	£000	£000	£000
Balance unspent at 1 August	77	-	77	36	-	36
Grants received	370	-	370	350	-	350
Available for distribution	447	-	447	386	-	386
Disbursed to students	(375)	-	(375)	(298)	-	(298)
Administration costs	(11)	-	(11)	(11)	-	(11)
Balance unspent at 31 July	61	-	61	77	-	77

30 Ultimate parent undertaking

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

University of Wales: Trinity Saint David
Carmarthen
SA31 3EP

COLEG SIR GAR

England & Wales - Charity number 1152522

Accounts



colegsirgâr

COLEG SIR GÂR
(a company limited by guarantee)

ANNUAL REPORT

FOR THE YEAR ENDED 31ST JULY 2021

Company registration no : 8539630

Charity registration no : 1152522

COLEG SIR GÂR

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COLEG SIR GÂR

PUBLIC BENEFIT STATEMENT

Coleg Sir Gâr is a registered charity (charity registration number: 1152522). The members of the Board of Directors, who are trustees of the charity, are disclosed in the Directors' Report on page 16.

In setting and reviewing the College's strategic objectives, the Board of Directors has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

Charitable Objectives

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

The College is well aware of its public benefit responsibility and, therefore, ensures that this is at the heart of all its operations and services.

Fulfilment of the charitable objectives

Beneficiaries

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

Coleg Sir Gâr is a college of further and higher education based in Carmarthenshire in South West Wales. The college has five campuses within the county: Llanelli (Graig campus); Ammanford; Llandeilo (Gelli Aur campus); and Carmarthen (Pibwrlwyd and Job's Well campuses). Currently the College has approximately 9,000 students enrolled on a range of courses including A Levels, Vocational Awards, Certificates and Diplomas, Higher National Certificates, Foundation Degrees and Degree programmes.

To deliver these courses, the College employs circa 750 teaching and support staff. The courses, students and staff are all located within one of 8 curriculum areas. The success of the College's students highlights the benefits of the range of effective partnerships maintained by the College.

The excellence of the College's partnership with the Carmarthenshire 14-19 Learning Network has been recognised with the achievement of a UK Beacon Award. The College's partnerships with industry are of significant importance and relationships with the construction industry have been recognised by an all Wales and UK Regional National Training Award.

In addition to College based provision, the College is also a significant work based learning provider with an extensive range of Traineeship and Apprenticeship programmes in a wide range of industrial sectors. The College has invested heavily over the last decade to provide students with the best possible learning environment. This has allowed the College's students to access excellent facilities and resources. The College also prides itself on being a caring and safe college, at all times putting the interests of the students first.

Admissions policy

The College operates a flexible and inclusive admissions policy, and provides for differentiation and individual needs in the design of its learning programmes. Some programmes have specific entry requirements which are reviewed annually and published in the College prospectus.

COLEG SIR GÂR

PUBLIC BENEFIT STATEMENT (continued)

Student Support/Bursaries/Scholarships

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

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

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

Widening Participation

The College has a comprehensive and broad range of academic and vocational education and training programmes. These range from pre-entry to graduate level, providing a service to the whole learning community. It offers further education, adult and community learning, higher education and work-based learning. It also provides for large numbers of 14-16 school pupils who attend the College or are taught by College staff at their schools. The College delivers across five campuses, at various community locations, in the workplace and online.

Community Engagement

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

By order of the Board



Signature

Date: 9th December 2021.....

Mrs Maria Stedman
Director

COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2021

The directors present their strategic report for the year ended 31 July 2021.

Background

In 1992, Parliament passed the Further and Higher Education Act as a result of which all former institutions of further education (where the total full-time, block release and part-time day release student enrolments in the 1990 FESR amounted to at least 15 per cent of the College's student load) and all existing sixth form institutions were incorporated into a new sector. The College was incorporated on 30 September 1992, although the Corporation did not become an independent Institution until 1 April 1993 (vesting day).

On 1 August 2013 the Coleg Sir Gâr Further Education Corporation (Dissolution) Order 2013 came into force. This order dissolved the further education corporation previously established and transferred all of its properties, rights and liabilities to the new Coleg Sir Gâr Company. The Coleg Sir Gâr (Designated Institutions in Further Education) Order 2013 came into force on the same day establishing a new College conducted by a registered company, limited by guarantee. This new Coleg Sir Gâr company is a wholly owned subsidiary of University of Wales: Trinity Saint David.

On the 1st August 2017, Coleg Ceredigion became a wholly owned subsidiary of Coleg Sir Gâr, having formerly been a direct subsidiary of the ultimate parent company University of Wales: Trinity Saint David.

Principal activities

Coleg Sir Gâr is a large, multi-site, Further Education College based in South West Wales and has five main campuses at Llanelli (Graig), Carmarthen (Pibwrlwyd and Jobs Well), Ammanford and Llandeilo (Gelli Aur). It has approximately 9,000 learners of which some 3,000 are full time and 6,000 are part time. There are approximately 750 higher education learners. The College has a comprehensive and broad range of academic and vocational education and training programmes that range from pre-entry to graduate level, providing a service to the whole learning community. The principal activities of the College are further education, higher education, work-based learning, 14-16 school provision, professional training, consultancy and the delivery of Government initiatives to industry. The College also offers its provision online, via partnerships at community locations and in the workplace.

Campuses vary in size and nature and offer a variety of subjects. The College has an annual turnover of around £40m and employs circa 750 staff. Of these, 345 are directly involved in teaching and 355 in support and administrative functions

The County

Carmarthenshire is a predominantly rural county with a chain of market towns providing the focus of activity. Carmarthen is the county town with a strong retail sector and relatively large local government, health and administration population.

The south east of the county has historically been associated with heavy industry and is the most densely populated part of the county, with Llanelli being the largest settlement. Whilst some large key employers remain in this part of the county, the economy has sought to diversify into light engineering and new technology industries.

The Index of Deprivation shows that there are concentrated areas of educational deprivation, employment deprivation and, consequently, multiple deprivation in South West Wales. Carmarthenshire has proportionally higher levels of inactive individuals in comparison to Wales and the UK.

COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2021

Strategic Vision

VISION

- Our College will always put the needs of the learner first and our primary focus will be to develop ambitious, highly skilled, resilient and employable learners who improve their self-esteem and are confident to take their place in the workforce of the future.
- All our actions will be defined by our core values and behaviours.
- We will achieve excellence in teaching and learning practice and have the highest standards in learner outcomes, leading to successful progression for all learners. An ambitious workforce development programme will drive improvement at all levels.
- Our curriculum will be innovative and will evolve to meet the ever-changing demands of global industry, and our curriculum pathways will facilitate progression through an integrated Dual Sector University.
- We will be a safe and caring College that improves the wellbeing of learners and staff.
- We will sustain and improve partnerships that bring real benefit to the learner. We will remain at the heart of the community, discharging our civic duty and we will be recognised as a bilingual College in Wales, championing the Welsh language and culture.
- Financial resilience, based on diversified income streams, will be of paramount importance to us and we will drive operational efficiency and effectiveness to maximise our business performance.
- A sustainable, contemporary, estate and cutting-edge resources will provide an outstanding environment for learners to be successful in their future careers.

Values and Behaviours

PURPOSE

learners, care, respect, integrity, customer focused

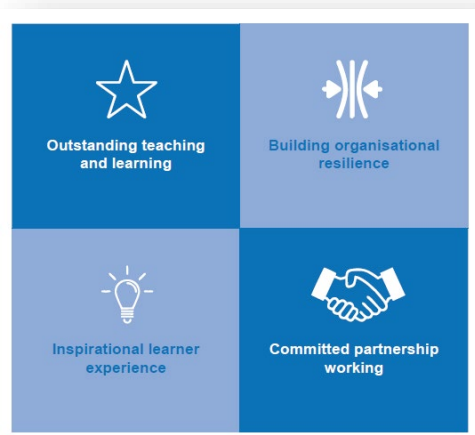
PASSION

positivity, recognition, praise, aspiration

PROFESSIONALISM

teamwork, transparency, flexibility, responsibility, accountability, communication

Strategic Priorities



COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2021

Financial Performance and Objectives

The College's financial objectives are:

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

The Statement of Comprehensive Income for the period is set out on page 31. The highlights for the period in relation to these are detailed below.

- Total income for the period has increased to circa £41m (2020: £35m); primarily driven by additional support grants from WG in relation to Covid 19. Maintaining a significant level of turnover reflects the continued success of the College at delivering education. Fluctuations in turnover are inevitable, and can be greatly influenced by the level of project work undertaken.
- Staff costs as a percentage of total income decreased from 65.0 % to 58.0 % (driven in the main by the increase in turnover due to Covid funds which more than offset national pay rises). The average number of staff employed remained relatively constant. Other operating expenses increased as a percentage of total income from 32% to 34% (mainly Covid driven expenditure).
- The surplus for the year was £ 528,000 (2020: £1,257,000 loss)
- The liquidity position remains satisfactory, with the ratio of short-term assets to creditors falling due within one year standing at 1.8 (2020: 1.5).
- Net assets have increased from a negative £ (6.4) million to a negative £(1,23)million . Net assets, excluding defined benefit obligations have increased from £23.7 million to £26.5 million. For further details on the accounting standards under which these financial statements are prepared, see the Statement of Principal Accounting Policies and Estimation Techniques on page 32. Note that the negative net asset position is entirely driven by the pension liability.
- Specific capital grants were applied in line with the College's Strategic Plan towards enhancing effectiveness and providing a quality learning environment.
- The provision for enhanced pensions was reviewed during the period and the balance required at 31 July 2021 has been estimated at £685,000 (2020: £748,000).
- During the year, the college like all other organisations in the UK, was faced with significant challenges as a result of the Covid pandemic e.g lockdowns, social distancing, cleaning and on-line learning transition. In light of this, the results for the year were particularly pleasing.

Treasury policies and objectives

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

The College has a separate treasury management policy in place.

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

COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2021

Cash flows, liquidity and reserves policy

The college operating cashflow position for the year is a positive amount of £5.6m. Overall cash balances increased by £5.5m (from £7.3m to £12.8m). The College wishes to continue to accumulate cash balances to fund future planned capital developments. To achieve this, the College has continued its drive for efficiency in the education and training it delivers. This has been, and will be, achieved by thoroughly reviewing its curriculum provision, effective deployment of resources, and best value procurement of goods and services. In addition, the College continues to seek and develop other sources of income. Significant re-investment into the College estate and plant and equipment ensures that learners have quality provision to aid in their educational process.

Curriculum Development and Enrichment

There is a wide-ranging curriculum that meets learners' aspirations. The curriculum is broad, flexible, coherent, and facilitates progression. It is offered in a variety of modes to suit learners' needs. There is a strong vocational focus and all Sector Subject Areas are represented at the College.

The curriculum is formulated and reviewed in partnership with the College's stakeholders, the Regional Learning and Skills Partnership (RLSP), Sector Skills Councils, 14-19 networks, the ACL Group, University of Wales: Trinity Saint David, industry, business and local employers. This is supplemented using skills observatory data provided through the RLSP.

The College Curriculum and Quality team report to the Board's Advisory Body for Learners and Standards. This provides a focus for discussion on curriculum and quality policy and development matters.

A range of options are available at all levels which offer diversity and choice to learners. The County's Youth Access programme also provides a partial full-time alternative curriculum for learners at the College who have had difficulty in, or have been excluded from, local schools. Almost the entire curriculum offered by the College is accredited, providing opportunities for learners to attain formal qualifications.

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

Partnership and Transformation

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

- From 1 August 2013, the College became part of the University of Wales: Trinity Saint David group, maximising opportunities for learners and sharing information, expertise and resources. In a similar vein, Coleg Ceredigion became a subsidiary of Coleg Sir Gar on the 1st August 2017.
- Through partnerships within the education authority and with local partner schools (over 17 schools), the breadth and volume of vocational opportunities for 14-19 school pupils is significant.
- Education and employer links are excellent and include the College's long and fruitful collaboration with Carmarthenshire Construction Training Association Ltd (CCTAL) and CYFLE.
- The College has made a significant contribution to the South West Wales Regional Learning and Skills Partnership and to the Public Service Board.

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STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2021

- Very good partnerships exist with Pembrokeshire College, other FE colleges and a number of other private training providers in the delivery of Work Based Learning (WBL) through the B-WBL Consortium.
- Long standing relationships are continuing with Carmarthenshire County Council in the delivery of Adult and Community Learning.
- Close working relationships exist with the LEA Youth Service and local schools to offer support and courses to learners who are at risk of becoming NEET (Not in Employment, Education or Training).
- Excellent partnership working has been achieved with the Scarlets, National Botanical Gardens Wales and Aberglasney Gardens, all of which act as centres for delivery.
- The College is well represented by members of the executive and College management team on a range of national networks; Adult and Community Learning; 14-19 Networks; Colegau Cymru and Welsh Government.
- Excellent sporting academies in rugby, football and netball provide opportunities for learners at elite levels. These opportunities have resulted from working partnerships with the Welsh Rugby Union; Scarlets; ,FAW-Welsh College FA- Welsh Schools FA , Wales Football Trust, Llanelli Town FC- AOC Sport- Welsh Colleges Sport - and the Welsh Netball Association.

Quality and Standards

Note that the next section of the report that deals with quality performance, measures and statistics reflects the combined data for both Coleg Sir Gâr and its subsidiary company Coleg Ceredigion. Coleg Sir Gâr is by far the largest proportion in terms of weighting, with a turnover of circa £ 35m against £5m for Coleg Ceredigion (9000 students vs circa 600 students respectively).

The College was scheduled an HMI Estyn inspection in March 2020 and as a consequence of the Covid-19 pandemic this inspection was cancelled. It is expected that the inspection will now happen in early 2022.

The College underwent its last inspection (Coleg Sir Gâr only for this Estyn element) in 2013 and achieved the following successful outcomes:

The provider's current performance	Good
The provider's prospects for improvement	Good

In particular, its development of literacy was highlighted as good practice.

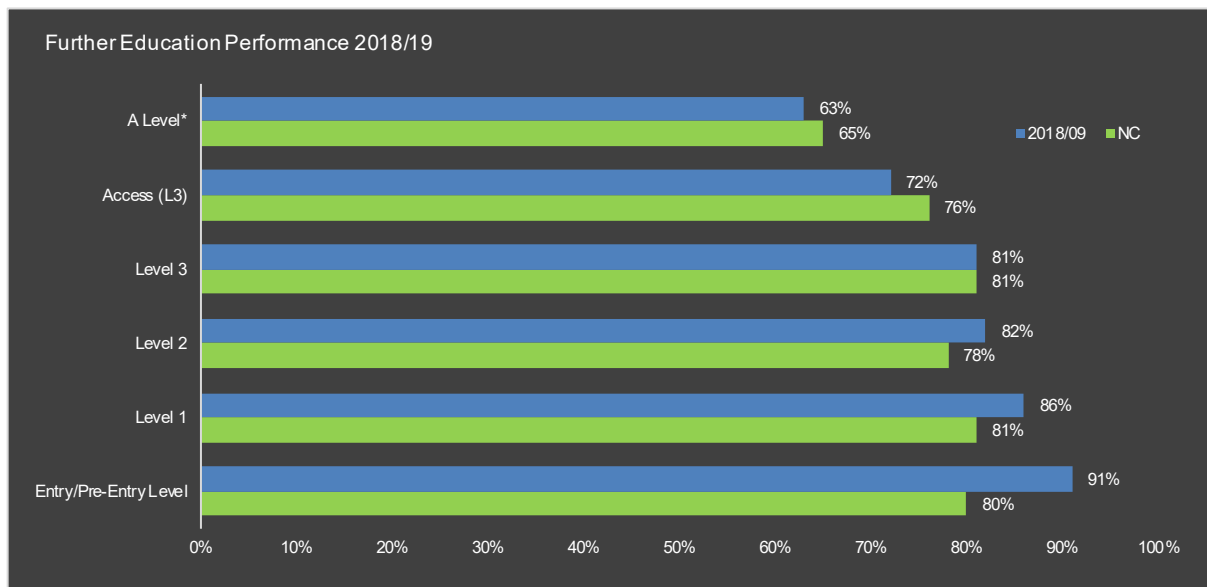
COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2021

Further Education

Welsh Government has not published College-based performance measures for 2019/20 and 2020/21 due to the alternative national arrangements put in place for centre determined and teacher assessed grading. As such , the data below relates to the prior year 2018/19.

Learners at Coleg Sir Gâr and Coleg Ceredigion continue to perform very well. College successful completion for Entry/Pre-Entry and Level 1 is excellent and significantly above their national comparators. Levels 2 and 3 are good and similarly above or at the national comparators. Level 3 Access and A Level are adequate and below their national comparators.



* % Learners achieving 3 or more A Levels at A*-E

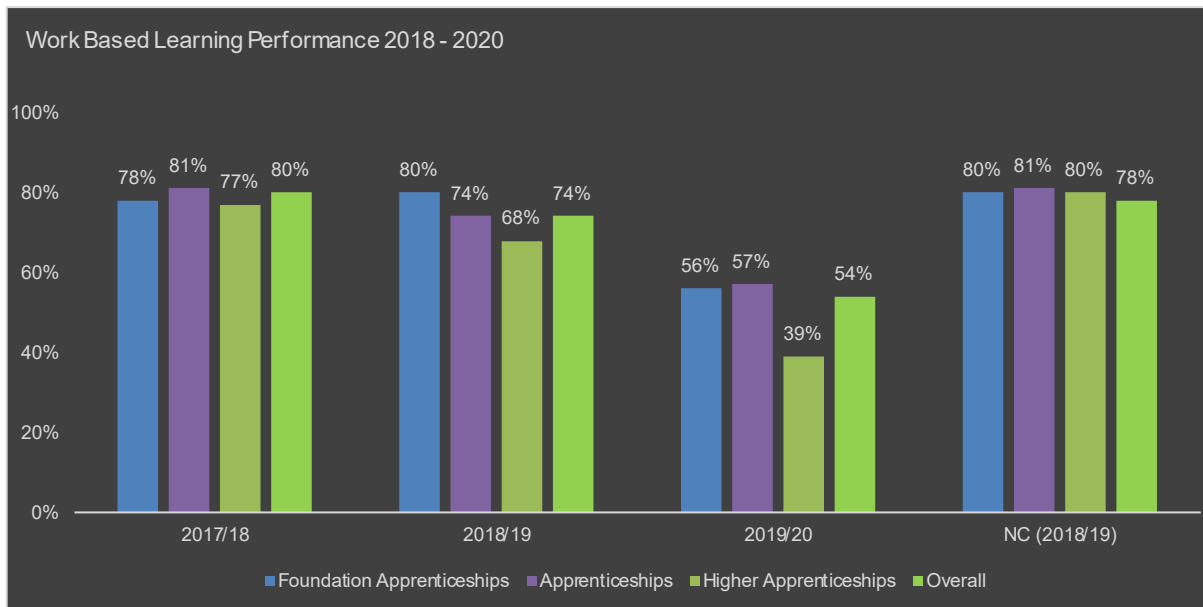
Work-Based Learning

The pandemic has had a significant impact on success rates across all apprenticeship levels in 2019-2020. especially those learners on higher apprenticeship programmes. WBL learners along with FE and HE students were supported during the lock down. Apprentices that were furloughed were supported in the same way as those apprentices which were able continue with their employment. All learners received guidance on how to access on line teaching and learning. During the period when restrictions were eased, apprentices were invited into College under strict Health and Safety conditions to complete assessments on campus. Every effort was made by the Faculties to support as many apprentices through their qualifications as possible. In many areas the successful outcomes were not achieved in time for the LOR 19/20.

Following the challenges of 2019/20, 2020- 2021 was a much better year with far less disruption and much better outcomes with the exception perhaps to some areas of the Care sector that continued to work under restrictions.

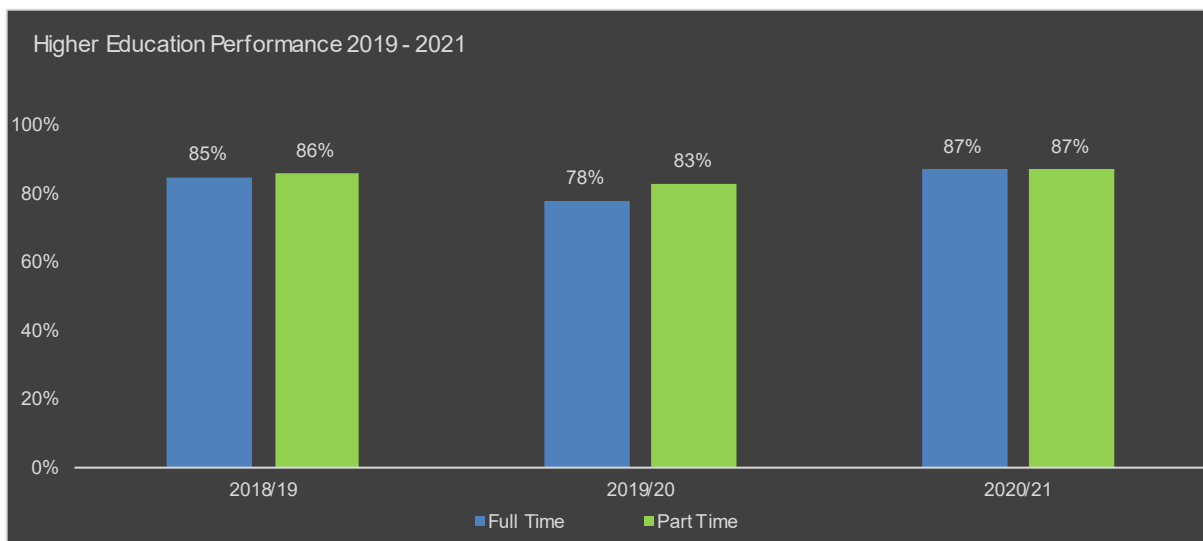
COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2021



Higher Education

The College continues to monitor its trends in performance as it strives towards continuing to improve its standards at the higher education level. Historically, higher education learners have consistently performed very well. Academic year 2019/20 was a particularly difficult year for staff and students having to adapt very quickly to online teaching, learning and assessment. The disruption to teaching and learning continued in 2020/21, and yet, a significant increase in successful completion is particularly notable in full time provision.



Quality of Teaching and Learning

Whilst the College's aim over recent years has been on improving classroom experiences and learner outcomes, the last 18 months has been an extraordinary period in teaching and learning. The impact of the global pandemic has been extremely challenging and disruptive for teachers and learners with a move to online/blended teaching and learning, in a very short period of time. Specialist functions across the College have worked together to support teachers and staff adapt to these challenges and to ensure that learners complete and succeed to achieve their learning programmes.

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STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2021

Policies have focused on helping the College move from good to excellent. The significant emphasis on training, motivating and supporting staff was recognised in 2017 when Coleg Sir Gâr was awarded the Association of Colleges Beacon Award for excellence in staff development, and in 2019 when it received the Princess Royal Training Award.

Nearly all staff have engaged well and benefited from the college's strong commitment to continuous professional development, and this positive impact is evident in the excellent learner success outcomes and improved learner survey results. Fundamental to the process is each teacher undertaking a self-assessment of their performance against key performance criteria. This in turn leads to a teaching profile that indicates bespoke areas for staff development. Attendance at staff development is high and after a period of implementation, self-assessment is undertaken once again.

The College's Teaching and Learning Team provide excellent support and tailored training to new members of staff, PGCE students and those teaching staff who need support with aspects of their work. Excellence in teaching is highly valued and celebrated through an annual teaching and learning award ceremony.

Health and Wellbeing of Learners

The College is committed to providing a healthy environment to improve the wellbeing of all students and staff.

The college raised the profile of wellbeing and mental health in response to growing demands. Induction, tutorial and promotional activities have been effective in raising learners understanding of wellbeing, and have reflected the priority given to keeping learners safe and promoting wellbeing through the "5 ways to wellbeing" message.

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

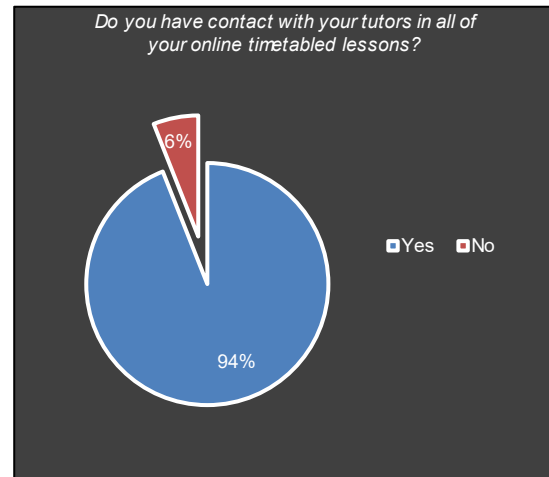
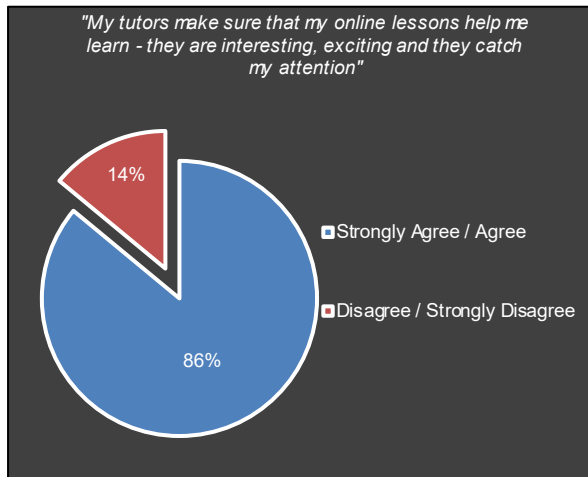
Effective arrangements are in place to safeguard children and vulnerable adults underpinned by clear policies and procedures. Safeguarding contacts are in place across all campuses and staff and students are aware of referral processes.

Learner Voice (Further Education)

In 2020/21, the focus of the annual learner voice survey was to gauge learner perception of online/blended teaching and learning. Overall, learners' perception was positive with most learners (94%) reporting that teachers maintained contact with them during their online timetabled lessons, and many (86%) reported that teachers delivered innovative strategies which maintained their interest, attention and engagement in lessons.

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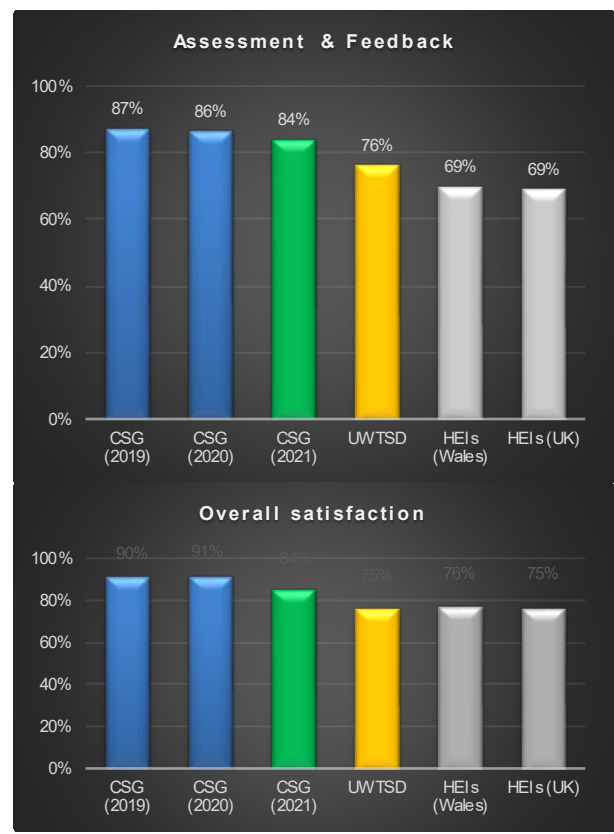
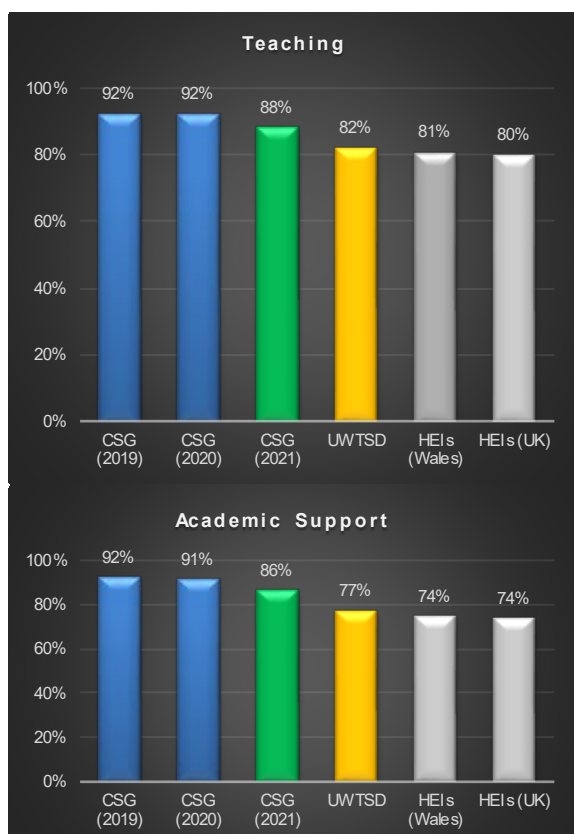
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Learner Voice (Higher Education)

Over many years, higher education students in their final year of study have continued to provide excellent feedback in regard to their teaching, learning and overall experiences in College (National Student Survey). Unlike any other year, higher education students experienced an extraordinary academic year in 2020/21 with the majority (if not all) of their teaching and learning being undertaken remotely and online due to the impact of the Covid-19 pandemic.

The College achieved the lowest response rate and levels of student satisfaction across all aspects of the NSS survey in its history this year. The UWTSD, Welsh HEIs and the National HE sectors also saw a significant decrease in student satisfaction as a direct result of the pandemic. However, student satisfaction at Coleg Sir Gar remains above the UWTSD, HEI Sector averages in Wales and the UK across all categories of the survey.



COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2021

Capital Investment and Accommodation (Coleg Sir Gâr only)

Although there were no major building projects or acquisitions during the year, there has been a significant amount capital investment in relation to buildings maintenance, plant, equipment and IT expedited at the college for during 2020/21. Thanks to specific additional funding provided to support the college during the very challenging Covid pandemic, circa £ £650,000 was spent on buildings maintenance, and circa £350,000 on IT infrastructure and approximately £470,000 on additional IT equipment to support digitalisation and on line working.

The Future

The College sees a strong future for itself as part of the merged University of Wales: Trinity Saint David ("UWTSD") group and has made a commitment to continuing to offer a strong further education provision across the county.

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

- Improving in learner outcomes
- Developing the college as a centre of excellence for teaching and learning
- Meeting the challenges of 'Digital 2030'
- Meeting the requirements of the ALN Bill
- The development of the Welsh Baccalaureate Qualification at Level 3
- Developing more Welsh medium provision
- Realising the benefits from merger for learners, staff and the wider community
- Maintaining a diversified curriculum portfolio across a range of sectors
- Developing more commercial training
- Developing strategies to cope with pressures in public funding
- Improving, rationalising and developing its estate in partnership with UWTSD and the County Council

Principal Risks and Uncertainties

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

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

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

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

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

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STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2021

1. Reduction in real terms of government funding

The College relies on government funding, and the current climate is such that there are continuous pressures on this income stream.

This risk is mitigated in a number of ways:

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

2. Failure to recruit and retain students

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

The risk is mitigated as follows:

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

3. COVID – Pandemic

A national problem that can impact on all aspects of the college operation including exacerbating the risks highlighted in 1 & 2 above. Significant measures have been implemented in line with Government guidance and in particular guidance received from the Education arm of Welsh Government. The college will continue to monitor and manage the risk in line with the prescribed guidance. A variety of measures have been implemented to ensure the effective and efficient continuity of operations during this particularly acute and challenging crisis.

Key Performance Indicators

The College is pleased to confirm that the target of breakeven before defined benefit obligation costs has been more than achieved with an actual outturn before non-cash defined benefit obligation costs of £ 2,748,000 surplus (19/20: £666,000 surplus). The surplus for the year after defined benefit obligation costs is £528,000 (deficit of £1,257,000 in 19/20), with non-cash adjustments being £2,220,000 (19/20: £1,923,000).

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STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2021

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

The College continues to achieve high standards of quality for its teaching and learning function, and received a good Estyn report in at the last inspection. Similarly, National Student Survey reports normally indicate a high level of student satisfaction, but due to the pandemic, the college experienced inevitable drops during this period.

This report was approved by the board on the 9th December 2021 and was signed on behalf of the board by:



Signature

Date: 9th December 2021.....

Maria Stedman
Director

COLEG SIR GÂR

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2021

The directors present their report and the audited financial statements of the Company for the year ended 31st July 2021.

Results and future developments

The results for the year, strategy and future developments of the Company are set out in the Strategic Report on pages 4 to 15.

Dividends

The Company is limited by guarantee. No dividends have been paid or are recommended for the year ended 31st July 2021.

Professional advisers

External auditor:	KPMG LLP, Cardiff
Internal auditors:	Mazars LLP, Bristol
Banker:	Barclays Bank Plc, Llanelli
Solicitor:	Eversheds, Hepworth & Chadwick, Cardiff

Directors

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

<u>Directors</u>	<u>% attendance at meetings</u>
Mrs Maria Stedman *#(Chair)	100 %
John Edge*#	100 %
Mr Huw Davies*#	100 %
Mrs Jayne Woods *#	100 %
Geraint Roberts*#	100 %
Eifion Griffiths*#	75 %
Mr Paul Jones*#	100 %
Mr Delwyn Jones*#	100 %
Mr Eoghan Powell *#(appointed 12/12/2019)	75 %
Mr Hywel Jones *#(resigned 15/04/21)	33 %
Mat Cooling *#(resigned 04/03/21)	100 %
Erica Cassin *#(appointed 10/12/20)	100 %
Angharad Harding*#(appointed 10/12/2020)	50%
Bryony Evett-Hackford *#	100 %
Marion Phillips *#	50 %
Cian Morgan*#(appointed 10/12/20)	100 %
Andrew Cornish *# (Principal)	100 %

(* non – executive directors)
(# Trustees)

COLEG SIR GÂR

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2021

(continued)

Directors' indemnities

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

Payment performance

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

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

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires Colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95 per cent. The College's performance in paying its suppliers during the year to 31 July 2021 was as follows:-

	2021	2021	2020	2020
	No	£000	No	£000
Total Invoices Received	4,465	16,371	6,215	20,339
Paid on time	3,143	14,757	4,352	17,841
% of total invoices received	71%	90%	70%	88%
Trade Creditors at 31 July - (Note 16)		1,852		1,285
		41 days		23 days

The College incurred no interest charges under The Late Payment of Commercial Debts (Interest) Act 1998.

Estate developments

The College regularly invests in the maintenance of the estate with planned annual programmes of maintenance carried out during the summer months. Annual budgets include an allocation for such works. No significant capital projects were undertaken in 20/21.

COLEG SIR GÂR

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2021 (continued)

Equal opportunities

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

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

Stakeholder relationships

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

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

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

Staff and student involvement

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

Statement of directors' responsibilities

The members of the Board of Directors are required to present audited financial statements for each financial year.

Within the terms and conditions of the Financial Memorandum between the Welsh Government and the Board of Directors of the College, the Board of Directors, through its Accounting Officer, is required to prepare financial statements and an operating and financial review for each financial year in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education, the Accounts Direction for Further Education Colleges in Wales and the UK's Generally Accepted Accounting Principles, and which give a true and fair view of the state of affairs of the College and its surplus/deficit of income over expenditure for that period.

In preparing the financial statements, the Board of Directors is required to:

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements

COLEG SIR GÂR

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2021 (continued)

- Assess whether the college is a going concern, noting the key supporting assumptions, qualifications or mitigating actions, as appropriate (which must be consistent with other disclosures in the accounts and auditor's report)
- prepare financial statements on the going concern basis unless it is inappropriate to assume that the College will continue in operation

The Board of Directors are also required to prepare a Directors Report which describes what it is trying to do and how it is going about it, including information about the legal and administrative status of the College.

The Board of Directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the College and which enable it to ensure that the financial statements are prepared in accordance with relevant legislation of incorporation and other relevant accounting standards. It is responsible for taking steps that are reasonably open to it to safeguard its assets and to prevent and detect fraud and other irregularities.

The maintenance and integrity of the College's website is the responsibility of the Board of Directors of the College; the work carried out by auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the Board of Directors are responsible for ensuring that expenditure and income are applied for the purposes intended by the Welsh Government and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from the Welsh Government are used only in accordance with the Financial Memorandum with the Welsh Government and any other conditions that may be prescribed from time to time. Members must ensure that there are appropriate financial and management controls in place to safeguard public and other funds and ensure they are used properly. In addition, members of the Board of Directors are responsible for securing economical, efficient and effective management of the College's resources and expenditure so that the benefits that should be derived from the application of public funds from the Welsh Government are not put at risk.

Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 1st August 2020 to 31st of July 2021 (and prior year) :

	<u>Current year</u>	<u>Prior year</u>
Energy consumption to calculate emissions (kwh)	3,935,210	4,657,030
<u>Scope 1 emissions in metric tonnes Co2e</u>		
Gas	566	634
Owned transport	5	45
<u>Total scope 1</u>	<u>571</u>	<u>679</u>
<u>Scope 2 emissions in metric tonnes Co2e</u>		
Electricity	243	361
<u>Scope 3 emissions metric tonnes Co2e</u>		
Business travel employee owned vehicles	12	45
<u>Total Gross emissions in tonnes Co2 e</u>	<u>826</u>	<u>1085</u>
<u>Intensity ratio tonnes Co2e per student</u>	<u>0.170</u>	<u>0.148</u>

COLEG SIR GÂR

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2021 (continued)

Qualification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting guidelines. We have also used the GHG Reporting Protocol - Corporate Standard and have used the 2021 UK Government's conversion factors for Company Reporting

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes Co2e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

Smart metres are installed across all sites. Solar panels have been installed on 3 of our largest campuses which significantly reduce purchased electricity. Energy saving lightbulbs are installed wherever and whenever possible and staff travel is reduced due to a focus on conducting meetings virtually using software such as Teams or Google meet.

Directors statement of compliance with duty to promote the success of the College

Engaging with our stakeholders (section 172 (1) statement)

The Board of Directors have a duty to promote the success of the Group for the benefit of its members as a whole having regards to the interests of our stakeholders (no shareholders as the company is limited by guarantee), our students, Welsh Government, our clients, our employees, our relationships with our suppliers and the impact of our operations on the communities in which we operate, and to ensure that we maintain a reputation for high standards of quality, care and business conduct.

Our key stakeholders are our students, Welsh Government, our clients, local businesses, our employees and the communities within which we operate. Our suppliers and regulators are also important stakeholder groups. All key Board decisions consider the impact on relevant stakeholders. Increasingly, stakeholders are looking to understand our performance across multiple areas from performance to services, community engagement, innovation, governance, workplace practices and corporate citizenship. The Board endeavours to gain an understanding of the perceptions and attitudes of each stakeholder group and the weight they give to different issues. Where the views of different stakeholder groups do not align, the Board must decide on the best course of action to promote the company's long-term success.

Our students

Our students are at the heart of our business and operations. We aim to deliver the best possible standards of education and training as well as a safe, exciting and modern environment to study within coupled with the best possible experience during their time at the college.

Employees

As a service organisation, our employees are key to our business. We want our employees to feel engaged and empowered to deliver great outcomes for our students and indeed all our stakeholders. Staff wellbeing is particularly important to the college and as such we have a college wellbeing manager in post to specifically address both the student and staff wellbeing agenda. There are significant support mechanisms within the college to deal with any concerns that staff may have, and there is regular opportunity for supported professional development open to all who wish to apply. The college works closely with all staff unions to ensure the needs and concerns of staff are

COLEG SIR GÂR

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2021 (continued)

addressed and prides itself on having a very strong , collaborative and mutually beneficial relationship in this regard. Staff members also have a representative on the Board of Directors

Regulators

The college, being a Further Education Institution, works very closely with Welsh Government who are the principal funding body for the majority of the college grant income. Regular qualitative and financial reports are submitted regularly and success is dependent on an open, robust and reciprocal relationship.

The college as a company and charity, also reports via Companies House and the Charity commission.

Suppliers

A strong relationship with Suppliers is essential to ensure the continuity of our operations and thus our ability to service our stakeholders to the highest possible standards. This would include suppliers of product and services across our 5 campuses. We aim to treat our suppliers fairly and pay them within agreed timescales, if not sooner, and always conduct ourselves professionally and to the highest possible standards. We work closely with our suppliers to ensure that they have effective controls in place to protect our students (and stakeholders if applicable) ' health and safety' and the security and privacy of their data.

Communities and environment

We play an active role in the communities in which we operate and take care of the environment. We evaluate the business risks and opportunities associated with climate change, closely managing our environmental impact and actively promoting positive environmental practices.

Employee Involvement and Disabled Employees

The company continues to keep employees informed of matters affecting them and the financial and economic factors affecting the performance of the company. This is achieved through consultations/training sessions, a staff gateway which is continually updated, email, newsletters and social media. Applications for employment by disabled persons are given full and fair consideration. In the event of employees becoming disabled and being unable to continue within the existing role, every effort is made to retrain them in order that their employment with the college may continue. It is the policy of the company that training, career development and promotion opportunities should be available to all employees at all times.

Political contributions

Neither the Company nor its subsidiary made any political donations or incurred any political expenditure during the period (2020 – donations £nil).

Other Information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on pages 4 – 15.

Statement of disclosure of information to auditors

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

COLEG SIR GÂR DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2021 (continued)

Independent auditor

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

This report was approved by the Board on the 9th December 2021 and was signed on behalf of the Board by:



.....

Mrs Maria Stedman
Director

Date: 9th December 2021

COLEG SIR GÂR

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

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

In the opinion of the directors, the Company complies with all of the mandatory provisions of the code so far as they apply to the further education sector, and it has complied throughout the year ended 31 July 2021 and up to the date of this report.

The Board of Directors

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

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

The Company conducts its business through a number of committees. Each committee has terms of reference which have been approved by the Board. These committees are Search and Governance (covers Remuneration); Learner Curriculum and Skills; Standards; Resources and Business Engagement; and Audit and Risk Management.

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

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

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

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

Appointments to the Board of Directors

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

Search and Governance committee

Throughout the year ended 31 July 2021, the Institution's Search committee comprised four members of the Board of Directors. The committee's responsibilities are to make recommendations to the Board on the selection of directors and advisory body committee members, and on matters of governance; and determines the remuneration and conditions of employment of senior post holders,

COLEG SIR GÂR

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

including the Principal. Details of remuneration for the year ended 31 July 2021 are set out in note 6 to the financial statements.

Audit and Risk Management committee

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

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

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

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

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

Resources and Business Development committee

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

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

Learner, Curriculum and Skills (and Standards) committee.

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

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

Internal control

Scope of responsibility

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

The Board has delegated the day-to-day responsibility to the Principal for maintaining a sound system of internal control that supports the achievement of the Institution's policies, aims and objectives, whilst safeguarding the public funds and assets for which they are personally responsible, in accordance with the responsibilities assigned to them in the Financial Memorandum between Coleg Sir Gâr and WG. The Principal is also responsible for reporting to the Board any material weaknesses or breakdowns in internal control.

COLEG SIR GÂR

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Internal control (continued)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Institution policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Coleg Sir Gâr for the year ended 31 July 2021 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board reviewed the key risks to which the Institution is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the Institution's significant risks that has been in place for the year ending 31 July 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board.

The risk and control framework

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

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

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

COLEG SIR GÂR

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Review of effectiveness

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

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

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

The senior management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The senior management team and the Audit and Risk Management committee also receive regular reports from internal audit, which include recommendations for improvement. The Audit and Risk Management committee's role in this area is confined to a high level review of the arrangements for internal control. The Board's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit and Risk Management committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2021 meeting, the Board carried out the annual assessment for the year ended 31 July 2021 by considering documentation from the senior management team and internal audit, and taking account of events since 31 July 2021.

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

Statement on regularity, propriety and compliance

The Governing Body has considered its responsibility to notify the Welsh Government of material irregularity, impropriety and non-compliance with the terms and conditions of funding, under the financial memorandum and contracts in place between the College and the Welsh Government. As part of our consideration we have had due regard to the requirements of the financial memorandum and contracts with the Welsh Government.

We confirm on behalf of the Governing Body, that after due enquiry, and to the best of our knowledge, we are able to identify any material irregular or improper use of funds by the College, or material non-compliance with the terms and conditions of funding under the college's financial memorandum and contracts with the Welsh Government.

We confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Welsh Government.

COLEG SIR GÂR

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Going concern

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

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements. After reviewing these forecasts, the Directors are of the opinion that, taking account of severe but plausible downsides, including the anticipated impact of COVID-19, the College will have sufficient funds to meet its liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period). Consequently, the Directors have prepared the financial statements on a going concern basis.

By order of the Board



Mrs Maria Stedman

Director

Date: 9th December 2021

COLEG SIR GÂR

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLEG SIR GÂR; REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Coleg Sir Gar ("the College") for the year ended 31 July 2021 which comprise the Income and Expenditure Account, Statement of Changes in Reserves, Balance Sheet, Cash Flow Statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2021 and of its surplus for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, and with the 2019 *Statement of Recommended Practice – Accounting for Further and Higher Education*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Going concern

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

In our evaluation of the directors' conclusions, we considered the inherent risks to the College's business model and analysed how those risks might affect the College's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the College's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the College will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and the Audit and Risk Committee as to the College's high-level policies and procedures to prevent and detect fraud and the company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board of Directors and Audit and Risk Committee meeting minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

COLEG SIR GÂR

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLEG SIR GÂR; REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

As required by auditing standards we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that income from tuition fees and education contract income and revenue grants income is recorded in the wrong period and the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of the College-wide fraud risk management controls.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included journals posted by individuals who typically do not make journal entries, revenue or cash journals made to unrelated accounts and unbalanced journal entries.
- Inspecting cash receipts in the period prior to and following 31 July 2021 to verify tuition fee and other operating income had been recognised in the correct accounting period.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the management (as required by auditing standards), and discussed with management the policies and procedures regarding compliance with laws and regulations.

As the College is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The College is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, charities legislation, pensions legislation and specific disclosures required by further education related legislation, including the Accounts Direction for Further Education Colleges in Wales issued by Welsh Government and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the College is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The directors are responsible for the other information, which comprises the strategic report, directors' report, the statement of governance and internal control and the statement of regularity,

COLEG SIR GÂR

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLEG SIR GÂR; REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

propriety and compliance. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

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

- we have not identified material misstatements in the other information;
- in our opinion the information given in the strategic report, directors' report, the statement of governance and internal control and, statement of regularity, propriety and compliance for the financial year is consistent with the financial statements; and
- in our opinion the strategic report and directors' report have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

- a adequate accounting records have not been kept by the College, or returns adequate for our audit have not been received from branches not visited by us; or
- the College financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

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

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.¹

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We are required to report on the following matters under the Further Education Audit Code of Practice 2015 (effective 1 August 2014) issued by the Welsh Government under the Learning and Skills Act 2000. In our opinion, in all material respects:

¹ The format of our audit report is as set out here and so includes this web link. Do **not** in the audit report replace this sentence with the lengthy description of auditor responsibilities that is on the Financial Reporting Council's website.

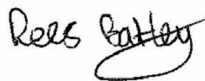
COLEG SIR GÂR

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLEG SIR GÂR; REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

- monies expended out of Welsh Government grants and other funds from whatever source administered by the College for specific purposes have been properly applied to those purposes and, if appropriate, managed in compliance with all relevant legislation;
- income has been applied in accordance with the Financial Memorandum between the Welsh Government and further education institutions; and
- the financial statements meet the requirements of the Accounts Direction for Further Education Colleges in Wales 2020/21 issued by Welsh Government.

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

This report is made solely to the College's member, 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 College's member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and its member for our audit work, for this report, or for the opinions we have formed.



Rees Batley (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
66 Queen Square
Bristol
BS1 4BE

13 December 2021

COLEG SIR GÂR

COLLEGE STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2021

	Notes	2021 £000	2020 £000
Income			
Funding body grants	1	27,598	22,546
Tuition fees and education contracts	2	5,348	5,997
Other income	3	7,490	6,909
Investment income	4	5	27
Total income		40,441	35,479
Expenditure			
Staff costs	5	23,435	23,064
Fundamental restructuring costs	5	46	-
Other operating expenses	7	13,671	11,347
Depreciation	11	2,290	1,937
Interest and other finance costs	9	513	413
Total expenditure		39,955	36,761
Surplus/(Deficit) before other gains and losses		486	(1,282)
(Loss)/gain on disposal of fixed assets		4	11
Gain/(Loss) on investments		38	14
Surplus(Deficit) before tax		528	(1,257)
Taxation		-	-
Surplus/(Deficit) for the year		528	(1,257)
Actuarial gain/ (loss) in respect of pension schemes	21	4,626	(10,731)
Total Comprehensive Income for the year		5,154	(11,988)
Represented by :			
Unrestricted comprehensive income		5,154	(11,988)
Restricted comprehensive income			-
		5,154	(11,988)

All amounts are derived from continuing operations.

The accompanying notes are an integral part of the Financial Statements

COLEG SIR GÂR

STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDING 31 JULY 2021

	Income and Expenditure account	Revaluation reserve	Endowments	Total
		£000	£000	£000
Balance at 31st July 2019	(2,951)	8,532	19	5,600
(Deficit) from the income & expenditure account	(1,257)	-	1	(1,256)
Other comprehensive income	(10,731)	-	-	(10,731)
Transfers between revaluation and income & expenditure reserves	192	(192)	-	-
Movement	(11,796)	(192)	1	(11,987)
Balance at 31st July 2020	(14,747)	8,340	20	(6,387)
Surplus/(Deficit) from the income & expenditure account	528	-	3	531
Other comprehensive income	4,626	-	-	4,626
Transfers between revaluation and income & expenditure reserves	192	(192)	-	-
Movement	5,346	(192)	3	5,157
Balance at 31st July 2021	(9,401)	8,148	23	(1,230)

COLEG SIR GÂR

BALANCE SHEET AS AT 31 JULY 2021

	Notes	2021 £000	2020 £000
Non-current assets			
Intangible fixed assets	10	-	-
Tangible fixed assets	11	31,821	31,615
Investments	12	303	265
Total fixed assets		32,124	31,880
Current assets			
Stocks	14	154	212
Trade and other receivables	15	2,968	4,635
Investments	13	18	16
Cash and cash equivalents		12,813	7,288
Total current assets		15,953	12,151
Less: Creditors: amounts falling due within one year	16	(8,940)	(7,993)
Net current assets		7,013	4,158
Total assets less current liabilities		39,137	36,038
Less: Creditors: amounts falling due after more than one year	17	(11,553)	(11,371)
Less: Provisions			
Defined benefit obligation	21	(27,681)	(30,087)
Other provisions	18	(1,133)	(967)
Total net assets		(1,230)	(6,387)
Restricted reserves :			
Income and expenditure reserve - Endowment reserve	20	23	20
Unrestricted reserves :			
Income and expenditure reserve - unrestricted		(9,401)	(14,747)
Revaluation reserve		8,148	8,340
Total unrestricted reserves		(1,253)	(6,407)
Total reserves		(1,230)	(6,387)

The financial statements on pages 32 to 62 were approved and authorised for issue by the Board on the 9th December 2021 and were signed on its behalf on that date by:

Chair: 
Date: 9th December 2021
Mrs Maria Stedman

Director: 
Date: 9th December 2021
Mr Andrew Cornish

Company registration no.: 8539630
Charity registration no.: 1152522

COLEG SIR GÂR

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2021

	Notes	2021 £000	2020 £000
Net cash inflow/(outflow) from operating activities	22	5,656	636
Cash flows from financing activities	23	(263)	(273)
Cash flows from investing activities	24	132	828
(Decrease)/Increase in cash and cash equivalents in the period		5,525	1,191
Cash and cash equivalents at 1 August	25	7,288	6,097
Cash and cash equivalents at 31 July	25	12,813	7,288

COLEG SIR GÂR

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES FOR THE YEAR ENDED 31 JULY 2021

Basis of preparation

Coleg Sir Gâr is a company limited by guarantee and incorporated and domiciled in the United Kingdom.

These financial statements have been prepared in accordance with the Companies Act as adapted to the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), in accordance with Financial Reporting Standard 102 – “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (FRS 102), the Companies Act 2006 and with the applicable WG Circular (2020-21). Coleg Sir Gâr is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

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

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention as modified by the use of previous valuations of certain fixed assets as deemed cost at transition to FRS 102 as at 1 August 2014. The accounting rules set out below have been applied consistently.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Going concern

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

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements. After reviewing these forecasts, the Directors are of the opinion that, taking account of severe but plausible downsides, including the anticipated impact of COVID-19, the College will have sufficient funds to meet its liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period). Consequently, the Directors have prepared the financial statements on a going concern basis.

Recognition of income

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. The recurrent grants from Welsh Government represent the funding allocations attributable to the current financial year and are credited direct to the income and expenditure account. Recurrent grants are recognised in line with planned activity. Any under-achievement against this planned activity is adjusted in-year and reflected in the level of recurrent grant recognised in the income and expenditure account.

Income from tuition fees is stated gross and recognised in the period for which it is received and includes all fees payable by students or their sponsors. Where the amount of tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

COLEG SIR GÂR

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES FOR THE YEAR 31 JULY 2021 (continued)

Recognition of income (continued)

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

Donations with restrictions are recognised when relevant conditions have been met; in many cases recognition is directly related to expenditure incurred on specific purposes. Donations which are to be retained for the benefit of the institution are recognised in endowments; other donations are recognised by inclusion as other income in the income and expenditure account.

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

Non-recurrent grants from the Welsh Government or other government bodies received in respect of the acquisition or construction of fixed assets are treated as deferred capital grants and amortised in line with depreciation over the life of the assets under the accrual method as permitted by FRS 102.

Income from the sale of goods or services is credited to the income and expenditure account when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

Accounting for post-employment benefits

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

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

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

Short term employment benefits

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

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STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES FOR THE YEAR 31 JULY 2021 (continued)

Enhanced pensions

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

Tangible fixed assets

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

(a) Land and buildings

Freehold buildings are depreciated over their expected useful economic life to the College of between ten and fifty years. Leasehold land and buildings are depreciated over 50 years or, if shorter, the period of the lease. Freehold land is not depreciated.

Where land and buildings are acquired with the aid of specific grants they are capitalised and depreciated as above. The related grants are credited to a deferred income account within creditors and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year.

Assets in the course of construction are not depreciated until the College has full use of the asset, at which time they are depreciated in accordance with the policy stated above.

Finance costs, which are directly attributable to the construction of land and buildings, are not capitalised as part of the cost of those assets.

On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings, which were revalued in 1998, as deemed cost but not to adopt a policy of revaluations of these properties in the future.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable. An annual review of impairment indicators is carried out annually at the financial statement reporting date.

(b) Equipment (including fixtures and fittings)

Equipment costing less than £3,000 per individual item is written off to the income and expenditure account in the period of acquisition. Grouped items, which are in aggregate above the threshold but individually under, will be reviewed specifically to determine the approach. All other equipment is capitalised at purchase cost. Equipment inherited from the Local Education Authority has not been included in the balance sheet, as it was their policy to charge the full purchase cost of the asset to the income and expenditure account in the year of acquisition.

Equipment is depreciated over its useful economic life as follows:

General equipment	5% - 25 % per annum
Computer equipment	20% - 33 % per annum
Fixtures and fittings	10% - 25 % per annum

COLEG SIR GÂR

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES FOR THE YEAR 31 JULY 2021 (continued)

Where equipment is acquired with the aid of specific grants it is capitalised and depreciated in accordance with the above policy. The related grants are credited to a deferred income account within creditors and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year.

Intangible fixed assets

The College has acquired a number of milk quotas for use in conjunction with the College's farming activities. The cost of the milk quotas has been classified as an intangible fixed asset. Milk quotas are amortised over a 10 year period on a straight-line basis.

Leased assets

Costs in respect of operating leases are charged on a straight line basis over the lease term. Any lease premiums or incentives relating to leases signed after 1st August 2014 are spread over the minimum lease term. The College has taken advantage of the transitional exemptions in FRS 102, and has retained the policy of spreading lease premiums and incentives to the date of the first market rent review for leases signed before 1st August 2014.

Leasing agreements which transfer to the College substantially all of the risks and rewards of ownership of an asset are treated as if the asset had been purchased outright. These are capitalised at their fair value at the inception of the lease, and depreciated over the shorter of the lease term or the useful economic lives of equivalently owned assets. The capital element outstanding is shown as obligations under finance leases.

The finance charges are allocated over the period of the lease in proportion to the capital element outstanding. Where finance lease payments are funded in full from funding council capital equipment grants, the associated assets are designated as grant-funded assets.

Investments

Investments in subsidiaries are accounted for at cost less impairment in the financial statements.

Listed investments held as non-current assets and current asset investments, are stated at fair value, with movements recognised in Comprehensive Income. Investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment in their value, estimated using a valuation technique.

Stocks

Stocks are stated at the lower of their cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

Cash and cash equivalents

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

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

Maintenance of premises

The College has a ten-year rolling long-term maintenance plan which forms the basis of the ongoing maintenance of the estate. The cost of long-term and routine corrective maintenance is charged to the income and expenditure account as incurred.

COLEG SIR GÂR

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES FOR THE YEAR 31 JULY 2021 (continued)

Financial assets, liabilities and equity

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

All loans, investments and short term deposits held by the College are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost. Loans and investments that are payable or receivable within one year are not discounted.

Foreign currency translation

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

Taxation

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

The College receives no similar exemption in respect of Value Added Tax.

The College's subsidiary company CCTA Enterprises Ltd is subject to corporation tax and VAT in the same way as any commercial organisation.

Provisions

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

Livestock

Livestock is treated as a fixed asset where it is intended for use on a continuous basis for the College's activities. Livestock is revalued on an annual basis with no depreciation charge being made. The movement between successive valuations is charged or credited to the income and expenditure account.

Agency costs

The College acts as an agent in the collection and payment of financial contingency funds and educational maintenance allowances. Related payments received from Welsh Government and subsequent disbursements to students and institutions are excluded from the income and expenditure of the College where the College is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Accounting for charitable donations and endowments

Non-exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised in income when the College is entitled to the funds.

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STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES FOR THE YEAR 31 JULY 2021 (continued)

Accounting for charitable donations (continued)

Income is retained within the restricted reserve until such time that any donor imposed restrictions attached to the donations and endowments are met at which time the income is released to general reserves through a reserves transfer. Donations with no restrictions are recognised in income when the College is entitled to the funds.

Investment income and movements in fair value of endowments are recorded in income in the year in which they arise and as either restricted or unrestricted income according to the terms of the restrictions applied to the individual endowment funds.

There are three main types:

1. Unrestricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the institution
2. Restricted expendable endowments – the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the institution can convert the donated sum into income
3. Restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective

Judgements in applying accounting policies and key sources of estimation uncertainty

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

- Determine whether there are indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- ***Tangible fixed assets***

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

- ***Local Government Pension Scheme***

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 July 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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NOTES TO THE FINANCIAL STATEMENTS

1 Funding body grants

	2021	2020
	£000	£000
Recurrent grant	22,520	17,905
Work based learning	2,824	3,126
Specific grants	1,046	561
Capital grants:		
Buildings	414	435
Equipment	794	519
	27,598	22,546

2 Tuition fees and education contracts

	2021	2020
	£000	£000
UK higher education students	3,893	4,406
UK further education students	46	114
Non-EU students	10	15
Total tuition fees paid by or on behalf of individual students	3,949	4,535
Education contracts		
Higher Education contracts	627	698
Other contracts	772	764
	5,348	5,997

3 Other income

	2021	2020
	£000	£000
Residencies and catering	161	581
Non-government capital grants	-	-
Farming activities	1,079	959
Other income-generating activities	1,113	1,286
Other grant income:		
European funds	2,113	2,044
Other funds	2,755	1,756
Other income	269	283
	7,490	6,909

4 Investment income

	2021	2020
	£000	£000
Interest receivable	5	27
	5	27

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

5 Staff costs

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

	2021 Number	2020 Number
Teaching departments:		
Teaching staff	213	225
Other staff	22	22
	235	247
Teaching support services	16	15
Other support services	26	28
Administration and central services	103	91
Premises	20	20
Other income-generating activities	93	97
Catering and residences	-	-
Farm	10	8
	503	506
Based on an average Headcount basis : Teaching staff	319	343
Support Staff	342	349
Staff costs for the above persons:		
	2021 £000	2020 £000
Teaching departments		
Teaching staff	11,230	11,401
Other staff	593	572
	11,823	11,973
Teaching support services	523	497
Other support services	853	861
Administration and central services	3,983	3,615
Premises	577	551
Other income-generating activities	3,504	3,493
Catering and residences	-	-
Farm	264	269
Restructuring costs	46	-
Pension costs	163	237
FRS 102 (Section 28 –Pension Cost) adjustments	1,750	1,555
Holiday pay accrual	(5)	13
	23,481	23,064
	2021 £000	2020 £000
Wages and salaries	16,762	16,701
Social security costs	1,561	1,539
Other pension costs (including FRS 102 adjustments)	5,112	4,825
	23,435	23,064
Restructuring costs	46	-
	23,481	23,064

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NOTES TO THE FINANCIAL STATEMENTS (continued)

5 Staff costs (continued)

The number of staff, including key management personnel (as defined in note 6), who received emoluments in the following ranges were:

	2021 Number	2020 Number
£60,001 - £65,000	2	1
£65,001 - £70,000	-	4
£70,001 - £75,000	-	2
£75,001 - £80,000	3	1
£80,001 - £85,000	2	-
£85,001 - £90,000	1	-
£125,001 - £130,000	-	1
£160,000 - £165,000	1	-
	9	9

A pay award of either 3.1 %, 8.48 %, 3.75 %, or 2.75 %, dependant on scale point (2020: 2.75 %) was approved by the Board and paid with effect from 1 August 2020 for all staff, with the exception of the Principal who received a pay increase of 26 % (2020:0 %). For these purposes, emoluments include taxable benefits in kind but not employer pension costs.

6 Key management personnel emoluments

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the College Leadership Team which comprises the Principal, and vice principals.

The number of key management personnel, including the Principal, was 4 (2020: 4).

	2021 Number	2020 Number
£70,001 - £75,000	-	2
£75,001 - £80,000	-	1
£80,001 - £85,000	2	-
£85,001 - £90,000	1	-
£125,001 - £130,000	-	1
£160,001 - £165,000	1	-
	4	4

Key management personnel emoluments are made up as follows:

	2021 £	2020 £
Salaries	417,616	351,405
Benefits in kind	2,881	2,031
	420,497	353,436
Pension contributions	88,138	70,487
Total emoluments	508,635	423,923

The above emoluments include amounts payable to the Principal (who is also the highest paid member of the key management) of:

	2021 £	2020 £
Salaries	160,651	125,000
Benefits in kind	2,881	2,810
	163,532	127,810
Pension contributions	38,042	28,850
Total emoluments	201,574	156,660

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

The pension contributions in respect of the Principal and other senior post-holders are in respect of employer's contributions to the Local Government and Teachers Superannuation Schemes and are paid at the same rate as for other employees.

The Board members, other than the Principal and staff members, did not receive any payment from the College other than the reimbursement of travel and subsistence expenses of £0 (2020: £446) incurred in the course of their duties.

The Principal received a pay increase of circa 26 % (2020: 0%), but other higher paid staff (including key management personnel), received a pay increase of 2.75 % during the year (2020: 2.75%). In addition, key management personnel (note 6) received an additional salary increase equivalent to a further 13.25 % increase i.e 15 % in total for the year. No bonuses or other salary enhancements were awarded to key management personnel or other higher paid staff (2020: nil). The Principal's salary, as a multiple of the median of all employees pay (all full and part time staff but excluding agency workers) was 5.4 in 2021 (2020 : 4.5). Similarly, the multiple based on all emoluments was 5.5 in 2020 (2020 : 4.5).

The remuneration of the Principal is benchmarked on typical Further Education institutions of a similar size and complexity and reflects the challenges and magnitude of the role. Coleg Sirgar, combined with its' subsidiary company, Coleg Ceredigion, is a large company with a combined turnover of over £41 m with a staff headcount of over a 750, split across a very diverse area; indeed, crossing 2 counties : Carmarthenshire and Ceredigion. The task of managing the 7 sites, so widely dispersed, is complicated and challenging.

Key performance measures would include achieving the highest possible standards of quality in terms of our teaching and learning operation whilst providing an exciting, innovative and inclusive environment for students and staff to work within, and at all times to do so within the resources provided.

A constant challenge is to achieve efficiency of operations, combined with a drive to seek out and secure new sources of income where possible. This can only be achieved by working with all the college stakeholders, of which there are many, and ensuring a harmonious, collaborative and fair environment to all.

In addition, since the college is part of a wider group as a subsidiary of the University of Wales : Trinity Saint David, the Principal plays an important role in terms of working closely with the university to achieve mutually beneficial planned and agreed objectives, designed to create the highest level of teaching quality and learner experience whilst facilitating a lifelong learning culture and environment.

The Principal reports directly to the Board of Directors who are ultimately responsible for the performance of the college. The Directors also evaluate and assess the Principal's effectiveness in terms of managing the college and similarly, the remuneration package for the role.

The Directors have carried out an assessment with regards the Principal's salary and believe, that the salary is commensurate with the role at the college. To derive this conclusion, an assessment of the size, complexity, challenges and responsibility would have been undertaken, along with a benchmarking exercise of other FE colleges of similar size and complexity.

In the prior year, the Principal's salary was one the lowest in the sector and as such the increment awarded, whilst appearing substantial, realigns the level with similar positions throughout the sector in Wales and reflects the additional experience gained within the role (last year the postholder had only been in place for 2 years).

Salaries of other key personnel excluding the Principal (i.e. Vice Principals) were increased based on responsibility (as seconds and deputies for the Principal) and similar roles within the sector.

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7 Other operating expenses

	2021 £000	2020 £000
Teaching departments	750	812
Teaching support services – libraries & resource centres	62	51
- examination fees	593	488
- student transport	807	937
Other support services	20	37
Administration and central services	5,681	4,075
General education expenditure	266	335
Premises:		
Running costs	975	846
Routine maintenance	1,220	414
Rents and leases	165	145
Planned maintenance	-	-
Other income generating activities	4	15
Catering and residence operations	346	581
Farming activities	677	687
Franchised provision	993	1,102
Irrecoverable value added tax	1,112	822
	13,671	11,347

Other operating expenses include:

	£000	£000
Auditor's remuneration:		
Financial statements audit	32	31
Other services provided by the financial statements auditor (regulatory return services)	5	5
Internal audit	22	22
Registration fees	83	128
Hire of other assets – operating leases	156	161

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NOTES TO THE FINANCIAL STATEMENTS (continued)

8 Costs in respect of overseas activities

The following costs were incurred during 2020-2021 in respect of overseas activities, which were carried out in accordance with the strategy approved by the governing body:

	Travel and Accommodation £	Subsistence Hospitality £	Other Costs £	Number of Visits
Members	-	-	-	-
Key management personnel	-	-	-	-
Other staff	-	-	-	-
	-	-	-	-

9 Interest and other finance costs

	2021 £000	2020 £000
On finance leases	43	45
Pension finance costs (see note 21)	470	368
	513	413

10 Intangible fixed assets

	Milk quota £000
Cost	
At 1 August 2020 and 31 July 2021	302
Accumulated Amortisation	
At 1 August 2020	302
Charge for the year	-
At 31 July 2021	302
Net book value	
At 31 July 2021	-
At 31 July 2020	-

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NOTES TO THE FINANCIAL STATEMENTS (continued)

11 Tangible fixed assets

	Freehold land and buildings £000	Equipment £000	Fixtures and fittings £000	Livestock £000	Total £000
Cost or valuation					
At 1 August 2020	43,411	6,382	3,020	295	53,108
Additions	43	1,335	1,041	77	2,496
Revaluation	-	-	-	-	-
Disposals	-	(155)	(316)	-	(471)
At 31 July 2020	43,454	7,562	3,745	372	55,133
Accumulated Depreciation					
At 1 August 2020	14,173	5,195	2,125	-	21,493
Charge for the year	893	687	710	-	2,290
Eliminated on disposal	-	(155)	(316)	-	(471)
At 31 July 2020	15,066	5,727	2,519	-	23,312
Net book value					
At 31 July 2021	28,388	1,835	1,226	372	31,821
At 31 July 2020	29,238	1,187	895	295	31,615

Analysis of net book value at 31 July 2021

Inherited	8,148	-	-	-	8,148
Financed by capital grant	10,903	1,520	-	-	12,423
Other	9,337	315	1,226	372	11,250
	28,388	1,835	1,226	372	31,821

Land and buildings were revalued in 1998 at depreciated replacement cost by Cooke & Arkwright, a firm of independent chartered surveyors. On adoption of FRS 102, revalued properties have been treated as deemed cost. The analysis of cost or valuation of the tangible fixed assets as at 31 July 2021 is as follows:

Cost or valuation at 31 July 2021 represented by:

Valuation in 1998 (see above)	19,716	-	-	372	20,088
Cost	23,738	7,562	3,745	-	35,045
	43,454	7,562	3,745	372	55,133

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

11 Tangible assets (continued)

Freehold land and buildings

	Occupied for own use £000	Investment properties £000	Properties under development £000	Total £000
Cost or valuation				
At 1 August 2020	43,411	-	-	43,411
Transferred in the year	-	-	-	-
Additions	43	-	-	43
Disposals	-	-	-	-
At 31 July 2021	43,454	-	-	43,454
Accumulated Depreciation				
At 1 August 2020	14,173	-	-	14,173
Charge for the year	893	-	-	893
Disposals	-	-	-	-
At 31 July 2021	15,066	-	-	15,066
Net book value				
At 31 July 2021	28,388	-	-	28,388
At 31 July 2020	29,238	-	-	29,238
Analysis of net book value at 31 July 2021				
Inherited	8,148	-	-	8,148
Financed by capital grant	10,903	-	-	10,903
Other	9,337	-	-	9,337
	28,388	-	-	28,388

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NOTES TO THE FINANCIAL STATEMENTS (continued)

12 Non-current investments

	2021 College £000	2020 College £000
Investment in subsidiary company	-	-
Other non-current asset		
investments	303	265
	303	265

The College's investments are in the following subsidiaries:

Name of company	Holding	Country of Incorporation	Activity
Coleg Ceredigion	Limited by Guarantee	Wales	Further Education College
CCTA Enterprises Limited	100%	Wales	Dormant
Rareblend Limited	100%	Wales	Dormant

Other non-current asset investments

	Listed investments £000	Other investments £000	Total £000
Cost or valuation			
At 1 August 2020	62	203	265
Additions	-	-	-
Revaluation	38	-	38
At 31 July 2021	100	203	303
Cost or valuation at 31 July 2021 represented by:			
Valuation	100	-	100
Cost	-	203	203
	100	203	303

13 Current investments

	2021 £000	2020 £000
Endowment assets		
Balance at 1 August	16	15
Increase in value of investments	2	-
Income for the year	-	1
Expenditure for the year	-	-
Balance at 31 July	18	16
Represented by:		
COIF Charities Investment Fund Holdings	18	16
	18	16

14 Stock

	2021 £000	2020 £000
Livestock for resale	143	198
Other stock	11	14
	154	212

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NOTES TO THE FINANCIAL STATEMENTS (continued)

15 Trade and other receivables

	2021 £000	2020 £000
Amounts falling due within one year:		
Trade debtors	267	446
Amounts owed by group undertakings : subsidiaries	-	983
other	21	48
Prepayments and accrued income	2,680	3,158
	2,968	4,635

Note: Amounts owed by subsidiary undertakings are payable on demand but the current intention is that they will not be called in within one year. Other refers to the parent company UWTSD.

16 Creditors: amounts falling due within one year

	2021 £000	2020 £000
Obligations under finance leases	176	268
Payments received in advance	3,648	3,196
Trade payables	1,109	775
Amount owed to group undertakings : subsidiary	-	642
Amount owed to group undertakings		
Other	350	123
Taxation and social security	393	387
Accruals and deferred income	2,056	1,648
Deferred income – government capital grants	1,208	954
	8,940	7,993

Note: Amounts owed to group undertakings are repayable on demand and do not accrue interest

17 Creditors: amounts falling due after more than one year

	2021 £000	2020 £000
Bank loans and overdrafts	-	-
Obligations under finance leases	338	287
Deferred income - government capital grants	11,215	11,084
Total	11,553	11,371

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

17 Creditors: amounts falling due after more than one year (continued)

Finance leases

	2021 £000	2020 £000
The net finance lease obligations to which the institution is committed are :		
In one year or less	176	268
Between two and five years	338	287
In five years or more	-	-
	514	555

18 Other provisions

	Enhanced Pension Provision £000	ESF £000	Total £000
At 1 August 2019	748	219	967
Utilised in the period	(58)	-	(58)
Released in the period	-	-	-
Transferred from income and expenditure account	(5)	229	224
At 31 July 2020	685	448	1,133

The ESF provision relates to a potential repayment of European Funds in relation to the overhead methodology. The enhanced pension provision relates to staff who have already left the College's employ and commitments for reorganisation costs from which the College cannot reasonably withdraw at the balance sheet date. The provision has been recalculated in accordance with the latest LSC circular.

The principal assumptions for this calculation are:

	2021	2020
Interest rate	1.6 %	1.3 %
Net interest rate	2.6 %	2.2 %

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

19 Deferred income – capital grants

	2021 £000	2020 £000
Amounts falling due within one year	1,208	954
Amounts falling due after more than one year	11,215	11,084
	12,423	12,038

The movement in capital grants is as follows:

	WG £000	Other grants £000	Total £000
At 1 August 2020			
Land and buildings	8,695	2,578	11,273
Equipment	451	314	765
Cash received			
Land and buildings	43	-	43
Equipment	929	621	1,550
Released to income and expenditure account			
Land and buildings	(308)	(105)	(413)
Equipment	(494)	(301)	(795)
At 31 July 2021			
Land and buildings	8,430	2,473	10,903
Equipment	886	634	1,520
	9,316	3,107	12,423

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NOTES TO THE FINANCIAL STATEMENTS (continued)

20 Endowment reserves

Year ended 31st July 2021

	Unrestricted Permanent £000	Restricted Expendable £000	Restricted Permanent £000	Restricted Total £000	Total £000
Balance at 1 August 2020					
Capital	-	19	-	19	19
Accumulated interest	-	-	-	-	-
Total	-	19	-	19	19
Increase in market value of investments	-	4	-	4	4
Expenditure for the year	-	-	-	-	-
Balance at 31 July 2021					
Capital	-	23	-	23	23
Accumulated interest	-	-	-	-	-
Total	-	23	-	20	20
Representing:					
Fellowship and scholarship funds	-	19	-	19	19
Prize funds	-	4	-	4	4
Total	-	23	-	23	23

Year ended 31st July 2020

	Unrestricted Permanent £000	Restricted Expendable £000	Restricted Permanent £000	Restricted Total £000	Total £000
Balance at 1 August 2019					
Capital	-	19	-	19	19
Accumulated interest	-	-	-	-	-
Total	-	19	-	19	19
Increase in market value of investments	-	1	-	1	1
Expenditure for the year	-	(1)	-	(1)	(1)
Balance at 31 July 2020					
Capital	-	19	-	19	19
Accumulated interest	-	-	-	-	-
Total	-	19	-	19	19
Representing:					
Fellowship and scholarship funds	-	15	-	15	15
Prize funds	-	4	-	4	4
Total	-	19	-	19	19

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NOTES TO THE FINANCIAL STATEMENTS (continued)

21 Pension and similar obligations

The College's employees belong to two principal pension schemes, the Teachers Pension Scheme (TPS) which is unfunded and the Local Government Pension Scheme (LGPS) which is funded. Both are multi-employer defined benefit plans, the assets of the schemes being held in separate trustee-administered funds.

The total pension cost for the College was:

	2021 £000	2020 £000
TPS: Contributions paid	2,098	2,049
LGPS: Charge to the Statement of Comprehensive Income:		
Contributions paid	1,310	1,221
FRS 102 charge	2,220	1,923
Staff restructuring (see below)	45	118
Total pension cost	5,673	5,311
	2021 £000	2020 £000
Staff restructuring		
Benefits recharged during the year by the LGPS	58	59
Other staff restructuring costs	(13)	59
	45	118
	2021 £000	2020 £000
Total Contributions to LGPS		
Benefits recharged during the year by the LGPS	58	59
Employer normal contributions	1,310	1,221
	1,368	1,280

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

LGPS (Local Government Pension Scheme)

The last full actuarial valuation was performed on 31 March 2019 at which date the market value of assets of the scheme was £2,576 million. The actuarial value of the assets represented 105% of the fund's accrued liabilities after allowing for future increases in earnings. This equates to a surplus of £132 m.

The main feature of the funding plan is that contribution rates should be assessed based on recovery of any deficit over a maximum period of 14 years. The primary contribution rate used is 18.2% (15.2 % in March 2016) of pensionable pay. The secondary rate is an offset of approximately £3.0 m per annum (£ terms) including estimated costs for the McCloud judgement where appropriate.

The agreed contribution rate for the College year commencing 1 April 2021 is 20% (2020: 16.1%), plus a fixed monthly payment of £0 (2020 : £121,800 per annum).

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

21 Pension and similar obligations (continued)

An actuarial valuation of the scheme was also carried out at 31 July 2021, 31 July 2020 and at 31 July 2019 by a qualified independent actuary using the projected unit method. The major assumptions used by the actuary were:

	2021	2020	2019
Rate of inflation - CPI	2.60%	2.30%	2.20%
Rate of increase in salaries	4.10%	3.80%	3.70%
Rate of increase in pensions	2.70%	2.40%	2.30%
Discount rate	1.60%	1.60%	2.20%
Mortality			
1	Years	Years	Years
Retiring Today - Males	23.1	23.0	23.0
Retiring Today - Females	25.0	24.9	25.7
Retiring in 20 years' time - Males	24.7	24.5	25.2
Retiring in 20 years' time – Females	27.2	27.1	28.1

Asset allocation:

	2021	2020	2019
	Split	Split	Split
	%	%	%
Equities	75.0	71.7	71.4
Government bonds	1.8	4.4	4.8
Other bonds	8.2	9.6	10.2
Property	10.4	11.9	12.3
Cash	4.6	2.4	1.3
	100.0	100.0	100.0

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NOTES TO THE FINANCIAL STATEMENTS (continued)

21 Pension and similar obligations (continued)

The following amounts at 31 July 2021, 31 July 2020 and at 31 July 2019 were measured in accordance with the requirements of FRS 102:

	2021 £000	2020 £000	2019 £000
Fair value of plan assets	54,821	45,194	45,193
Liabilities	(82,502)	(75,281)	(62,626)
Deficit in the scheme/net pension liability	(27,681)	(30,087)	(17,433)

The following components of the pension charge have been recognised in the Statement of Comprehensive Income for the years ended 31 July 2021 and 31 July 2020:

	2021 £000	2020 £000
Amounts recognised in the statement of Comprehensive Income :		
Amounts included in staff costs		
Current service cost	(3,090)	(2,648)
Administration cost	(28)	(27)
Curtailment cost	-)	(160)
Operating cost	(3,118)	(2,835)
Analysis of amounts charged to financing of provisions		
Expected return on assets	729	1,003
Interest on pension liabilities	(1,199)	(1,371)
Net finance (cost)/income	(470)	(368)
Amounts recognised in other Comprehensive Income		
Difference between actual and expected return on scheme assets	8,175	(1,753)
Effects of changes in assumptions underlying the present value of scheme liabilities	(3,549)	(8,978)
Actuarial (loss)/gain	4,626	(10,731)
Movement in the College's share of the scheme's deficit during the year		
Deficit in scheme as at 1 August	(30,087)	(17,433)
Operating cost	(3,118)	(2,835)
Net finance (cost)/income	(470)	(368)
Actuarial (loss)/gain	4,626	(10,731)
Contributions	1,368	1,280
Deficit in scheme as at 31 July	(27,681)	(30,087)

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NOTES TO THE FINANCIAL STATEMENTS (continued)

21 Pension and similar obligations (continued)

Asset and Liability Reconciliations:

Reconciliation of Liabilities	2021	2020
	£000	£000
Liabilities at start of year	75,281	62,626
Current service cost	3,090	2,648
Interest cost	1,199	1,371
Contribution by scheme participants	446	429
Actuarial loss/(gain)	3,549	8,978
Benefits paid	(1,063)	(931)
Curtailments and settlements	-	160
Liabilities at end of year	82,502	75,281
Reconciliation of Assets	2021	2020
	£000	£000
Assets at start of year	45,194	45,193
Expected return on assets	729	1,003
Actuarial gain/(loss)	8,175	(1,753)
Administration expenses	(28)	(27)
Contributions by the employer	1,368	1,280
Contributions by the scheme participant	446	429
Benefits paid	(1,063)	(931)
Assets at end of year	54,821	45,194

The expected return on assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields at the balance sheet date. Expected returns on equity investments reflect long-term rates of return experienced in the respective markets.

History of experience gains and losses

	2021	2020
Defined benefit obligation (£000)	(82,502)	(75,281)
Plan assets (£000)	54,821	45,194
Deficit (£000)	(27,681)	(30,087)

Difference between actual and expected return on scheme assets:

Amount (£000)	8,175	(1,753)
Percentage of scheme assets	14.9%	-3.9%

Experience gains and losses arising on scheme liabilities:

Amount (£000)	-	-
Percentage of scheme liabilities	-	-

Effects of changes in assumptions underlying the present value of scheme:

Amount (£000)	(3,549)	(8,978)
Percentage of scheme liabilities	(4.3%)	(11.9%)

Total of amounts recognised in the statement of Comprehensive income:

Amount (£000)	4,626	(10,731)
Percentage of scheme liabilities	5.6%	(14.3)%

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NOTES TO THE FINANCIAL STATEMENTS (continued)

21 Pension and similar obligations (continued)

TPS (Teachers Pension Scheme)

This report sets out the results of the actuarial valuation of the combination of the Teachers' Pension Scheme ('pre 2015 Scheme') 6 and the 2015 Teachers' Pension Scheme ('2015 Scheme') 7 (Teachers' Pension Scheme or 'the Scheme'). The Scheme provides pensions and other benefits to teachers who have worked in schools or other educational establishments in England and Wales. The Scheme is an unfunded statutory public service pension scheme with the benefits underwritten by the Government. The Scheme is financed by payments from the employer and from those current employees who are members of the Scheme, who pay contributions at different rates based on pay and as specified in the regulations

The latest actuarial valuation of the scheme was carried out as at 31 March 2016 and in accordance with The Public Service Pensions (Valuations and Employers Cost Cap) Directions 2014. The Government Actuary (GA) reported on the valuation of the Teachers' Pension Scheme on 9 June 2014. The GA concluded that:

- at the date of the valuation, the liabilities in the scheme were £196.1 bn and the value of the assets was £218.1 bn giving a notional past service deficit of £22 bn;
- the total recommended rate of contribution payable by employers from 1 September 2019 is 23.6 % (previously 16.4%) of salary; and

The financial assumptions adopted for the current valuation and, for comparison, those adopted for the 2012 valuation, are shown below:

	2016 Valuation	2012 Valuation
Discount rate :		
Real	2.40%	3.00%
Nominal	4.45%	5.06%
Pensions increases	2.00%	2.00%
Long term salary growth	4.20%	4.75%
- In excess of assumed CPI	2.20%	2.75%

FRS 102 (28)

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension scheme.

The TPS is unable to provide for the College an identification of its share of the underlying (notional) assets and liabilities of the scheme. Accordingly, the College has taken advantage of the exemption of FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The College has set out above the information available on the scheme and the implication for the College in terms of the anticipated contribution rates.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

22 Reconciliation of consolidated operating surplus/(deficit) to net cash inflow/(outflow) from operating activities

	2021 £000	2020 £000
Surplus/(Deficit) for the year	528	(1,257)
Adjustments for investing or financing activities:		
Interest paid	43	45
Interest (received)	(5)	(27)
Adjustments for non-cash items:		
Depreciation (note 11)	2,290	1,937
Increase in provision for bad and doubtful debts	(105)	54
Surplus on disposals of fixed assets	(4)	(11)
Revaluation of investments	(38)	(14)
Deferred capital grants released to income:		
WG (note 1)	(1,208)	(954)
Specific grants released to income	(317)	(252)
Pension cost less contributions payable	2,220	1,923
(Increase)/Decrease in stocks	(18)	3
Decrease/ (Increase) in debtors	270	(140)
(Increase)/decrease in prepayments and accrued income	1,501	(674)
Increase/(decrease) in creditors	684	(311)
(Decrease)/increase in other taxation and social security	6	(109)
Increase/(decrease) in accruals	(357)	393
Increase/(decrease) in provisions	166	30
Net cash inflow/(outflow) from operating activities	5,656	636

23 Cash flows from financing activities

	2021 £000	2020 £000
Interest received	5	27
Interest element of finance lease rental payments	(43)	(45)
Capital element of finance lease payments	(225)	(255)
	(263)	(273)

24 Cash flows from investing activities

	2021 £000	2020 £000
Payments to acquire tangible fixed assets	(2,236)	(812)
Proceeds from disposal of tangible fixed assets	4	12
Proceeds from disposal of investments	-	-
Deferred capital grants received	1,593	429
Unspent specific grants received	771	1,198
	132	827

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NOTES TO THE FINANCIAL STATEMENTS (continued)

25 Cash and cash equivalents

	2021	2020
	£000	£000
Cash in hand and at bank	12,600	7,072
Cash Equivalents	213	216
Net cash	12,813	7,288

26 Capital commitments

	2021	2020
	£000	£000
Commitments contracted for at 31 July	-	-

27 Financial commitments

At 31 July 2020 the College was committed to making the following minimum lease payments under non-cancellable operating leases:

	2021 Land and buildings £000	2021 Other £000	2020 Land and buildings £000	2020 Other £000
Not later than one year	30	45	35	45
Later than one year and not later than five years	16	93	16	80
Later than five years	-	-	-	-
	46	138	51	125

28 Related party transactions

The College maintains a register of its interests for Directors of the Company and key management personnel. The following were outstanding / carried out during the year ended 31st July 2021:

CCTA Enterprises Ltd

- £ 250 receivable (2020 : £250), £0 payable (2020 : £0)
- Total income for the year £0 (2020 : £ 0), total purchases £0 (2020 : £ 0)

Coleg Ceredigion - Group Member

- £0 receivable (2020: £983,097), £0 payable (2020 £642,328)
- Total income for the year £0 (2020: £172,357), total purchases £230 (2019: £477,695)

UWTSD – Parent

- £21,341 receivable (2020: £47,969) , £350,018 payable (2020: £123,022)
- Total income for the year £4,376,457 (2020: £4,820,424), total purchases £1,391,638 (2020: £989,426)

Fforwm Services Limited

- £0 payable (2020: £0)
- Total purchases for the year £54,354 (2020: £52,236)

Note : Transactions amongst the group companies are for services rendered. FForwm, is the subscription cost for the Colleges Wales services provided to all Welsh FE colleges.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

29 Amounts dispersed as agents

The College acts as agent in the administration of learner support funds which are available solely for students. The grants and related disbursements are excluded from the income and expenditure account.

Financial Contingency Funds	2021	2021	2021	2020	2020	2020
	WG	HEFCW	Total	WG	HEFCW	Total
	£000	£000	£000	£000	£000	£000
Balance unspent at 1 August	36	-	36	45	-	45
Grants received	350	-	350	323	-	323
Available for distribution	386	-	386	368	-	368
Disbursed to students	(298)	-	(298)	(323)	-	(323)
Administration costs	(11)	-	(11)	(9)	-	(9)
Balance unspent at 31 July	77	-	77	36	-	36

30 Ultimate parent undertaking

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

University of Wales: Trinity Saint David
Carmarthen
SA31 3EP