



# **Colleges Wales / Colegau Cymru Limited**

## **Consolidated Financial Statements**

### **for the Year Ended 31 July 2015**

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

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## Contents

	<b>Page</b>
Contents	1
Trustees Report	2
Report of the Independent Auditors	17
Consolidated Statement of Financial Activities	19
Consolidated Balance Sheet	21
Company Balance Sheet	22
Consolidated Cash Flow Statement	23
Notes to Cash Flow Statement	24
Notes to the Financial Statements	28
Consolidated Profit & Loss Account	Appendix 1

## Report of the Directors/Trustees for the year ended 31 July 2015

The Directors/Trustees present their report and the audited financial statements of Colleges Wales / Colegau Cymru Limited and its subsidiary (fforwm Services Limited) for the year ended 31 July 2015.

### Reference and Administrative Information

Company Number:	2832103
Registered Charity Number:	1060182
Registered Office and operational address:	Unit 7 Cae Gwyrdd Greenmeadow Springs Tongwynlais Cardiff CF15 7AB
Auditors:	Bevan Buckland Langdon House Langdon Road Swansea Waterfront SA1 8QY
Solicitors:	Capital Law Capital Building Tyndall Street Cardiff CF10 4AZ
Bankers:	Barclays Bank plc PO Box 69 Cardiff CF1 1SG

## Directors and Trustees

For the purposes of charity law, the Board of Directors' are also charity trustees. During the year the company's directors / trustees were as follows:

Simon Pirotte	Principal, Bridgend College
Mike James	Principal, Cardiff and Vale College
David Jones OBE	Principal, Coleg Cambria
Jacqui Weatherburn	Principal, Coleg Ceredigion
Judith Evans (appointed Chair on 21 May 2015)	Principal, Coleg y Cymoedd
Jim Bennett (resigned on 31 July 2015)	Principal, Coleg Gwent
Guy Lacey (appointed interim trustee on 22 September 2015)	Acting Principal, Coleg Gwent
Barry Liles	Principal, Coleg Sir Gâr
Mark Jones	Principal, Gower College Swansea
Glyn Jones OBE	Principal, Grŵp Llandrillo Menai
John O'Shea	Principal, The College Merthyr Tydfil
Mark Dacey	Principal, NPTC Group
Sharron Lusher	Principal, Pembrokeshire College
Mark Leighfield	Principal, St David's Catholic College
Mark Isherwood	Principal, WEA YMCA CC Cymru
Maggi Dawson MBE (resigned on 31 July 2015)	Principal, WEA Cymru
Liz James (observer) (appointed on 12 November 2014)	Chair, Coleg y Cymoedd
John Clutton (observer) (appointed on 12 November 2014)	Chair, Coleg Cambria
Iestyn Davies (appointed on 1 October 2015)	Chief Executive
Julie Osman	Company Secretary

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

## Structure, Governance and Management

ColegauCymru is a national educational charity that represents all of Wales' further education (FE) colleges and designated FE institutions. The company was originally incorporated in 1993 as fforwm Limited and on 1 July 2009 changed its name to Colleges Wales / ColegauCymru Limited and was branded as 'ColegauCymru / CollegesWales'. fforwm Services Limited was established in 1995 and is a wholly owned subsidiary of Colleges Wales / ColegauCymru Limited.

### Governance

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

Following a variance to its Articles in May 2014, the charity's Board now comprises of 14 college principals and two chairs of governing bodies of the member colleges; the chairs are appointed as observer members. Under the requirements of the Memorandum and Articles of Association, the appointment of college principals is concurrent with their substantive appointment, whilst the two observer members are appointed for three years, with an option to seek re-appointment for a further three-year term. The directors / trustees who served on ColegauCymru's Board during the year, and up to the date of this report, are listed on page 2.

### Committees of the Board of Management

The company has two formally constituted committees in place, which act with delegated authority from ColegauCymru's Board as follows:

Audit Committee	Simon Pirotte (Chair), Mark Isherwood, Sharron Lusher, Dafydd Evans (appointed on 22/09/2015) and Lynda Astell (appointed on 22/09/2015)
Remuneration Committee	Judith Evans (Chair), Glyn Jones OBE and Sharron Lusher (appointed on 22/09/2015)

The directors of the subsidiary company are appointed by and from ColegauCymru's Board and for the period were as follows:

Judith Evans (Chair)  
Mike James  
Mark Jones (resigned 21 May 2015)  
Barry Liles  
Glyn Jones OBE (appointed 21 May 2015)

All directors/trustees give their time voluntarily and receive no personal benefits from the charity. Any expenses reclaimed from the charity are set out in note 8 to the accounts.

### Trustee Induction

New trustees receive information on their legal obligations under charity and company law. To support the charity's trustees a secure on-line board members portal has been developed. The portal provides access to all of the charity's information including governing documents, charity commission annual returns, financial performance, relevant policies, procedures and general board information. The portal acts as a central repository where board papers can be accessed and/or downloaded ahead of board meetings. The trustees are also given opportunities to meet with key employees and are

encouraged to attend relevant training events.

### **Management**

ColegauCymru operates on a self-funding basis through subscriptions from its member further education (FE) colleges and institutions. All 14 FE colleges and institutions in Wales are in membership. Additional income is generated by conducting research and coordinating development projects related to the further education sector in Wales and organising professional development training events and conferences.

The objectives and aims of ColegauCymru are reviewed annually. A business plan is prepared against which activities are monitored. This review ensures that the charity's operations are focused on its stated objects and purposes. The charity refers to the advice contained in the Charity Commission's general guidance with regard to public benefit when reviewing its objectives and aims and in planning future activities (section 4 of the Charities Act 2006).

During the reporting period, the Board met seven times and formally constituted sub-committees were in place covering Audit and Remuneration. Iestyn Davies was appointed Chief Executive on 1 October 2015. The Chief Executive is responsible for managing the day to day operations of the company.

### **Related Parties**

All transactions involving subsidiaries, company members or organisations in which a member of the Board may have an interest are conducted at arm's length and in accordance with the organisation's financial regulations.

### **Risk Management**

The strategic, business and operational risks to which the company is exposed is conducted and reported to the Audit Committee and to the Board on a bi-annual basis. The company has a risk management policy and procedures are in place to support the risk management process and mitigate risks identified and internal control procedures are in place to minimise internal risks. Any significant risks are reported to the Board immediately.

### **Objectives and Activities**

The company's charitable objectives and principal activities remained throughout 2014-15 to promote the advancement of education for the benefit of the general public in Wales. ColegauCymru exists through its work to:

- provide a forum for discussion of matters of common interest conducted by all the FE corporations and other institutions receiving funding from the Welsh Government (WG), and
- make representations on behalf of its members to persons concerned with education and its funding in Wales to improve opportunities for learners.

The company's prime purpose is to lead the FE sector in raising the performance of further education with key decision-makers to improve opportunities for learners in Wales. In carrying out its mission, ColegauCymru will lead and support high quality education, training and lifelong learning aimed at stimulating economic development, social well-being and cultural life, raising skills levels and, building on the latest technology and digital learning techniques, improving opportunities for learners.

ColegauCymru has built on its representational role whilst developing its research, consultancy and through its professional learning communities, conferences and training events it shares best practice in order to raise standards in teaching and learning. ColegauCymru represents its members on various committees, working parties and other groups influencing and shaping policy in post-16 education and lifelong learning sector for the ultimate benefit of the learner.

ColegauCymru has continued to support colleges as they respond to the Welsh Government's requirement to transform the education landscape (the Transformation Agenda of 2009). Colleges have led a number of mergers and collaborations and are working increasingly within regional partnerships. When ColegauCymru was incorporated in 1993, there were 31 FEIs and after the last merger on 1 August 2015 between WEA Cymru and YMCA Wales Community College, there are now 14 FEIs in Wales. Of the 14 FEIs, three are owned by universities, one is a sixth form college and one is a centre for adult learning in the community.

Another key priority has been around the reclassification of colleges as incorporated bodies with charitable status, and 'not for profit institutions serving households' (NPISH). NPISH status gives colleges increased flexibility over their governance arrangements and its amended financial memorandum will give colleges increased freedom for example to borrow money. The new relationship recognises the willingness, success and responsiveness that colleges have demonstrated over recent years to raise standards, become more efficient, and improve leadership and management, working increasingly through ColegauCymru. This was recognised in the White Paper that informed the FHE Bill, which anticipated '*a key role for ColegauCymru in leading the sector and ensuring a sense of shared responsibility across all colleges, for example, developing a code of practice*'.

ColegauCymru continues to respond to the economic downturn and help reinvigorate the economy of Wales by taking forward various Welsh Government employment and training initiatives. At the end of 2015, there were 62,400 young people aged 16-24<sup>1</sup> that were not in education, training or employment. FE colleges play a crucial role in assisting those not in education, employment and training (NEET) get on their feet, and in equipping the working population with appropriate skills. ColegauCymru continues to emphasise to the Welsh Government the key roles of the colleges in (i) promoting social justice through tackling deprivation and providing a second chance for learners, and; (ii) supporting a buoyant economy by raising skills levels to meet the needs of businesses in Wales.

During the 2013/14 academic year 167,715 learners were enrolled at Further Education institutions in Wales<sup>2</sup>. Most enrolments (60%) at FE colleges were for part-time studies whilst a further 11% pursued work-based learning (WBL) provision. 26% of learners were ages under 19 and 45% were aged under 25.

### ***Representational role***

ColegauCymru has participated in a number of Welsh Government-convened groups and forums that have been established to re-develop policies affecting post-16 learners in Wales. A key focus during the year was responding to, with the support of member colleges and providing oral and written evidence, to:

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<sup>1</sup> Annual Population Survey, year ending December 2015, Office for National Statistics

<sup>2</sup> SDR 45/2015 Further Education, Work-based Learning and Community Learning in Wales 2013/14, Welsh Government, 25 March 2015

- Proposal for the registration of further education teachers with the Education Workforce Council (Oct 2014)
- The NAW's Children, Young People and Education Committee into the Financial Education and Inclusion (Wales) Bill) (Oct 2014)
- Registration fees for the education workforce in Wales (Nov 2014)
- Proposals for the disciplinary functions of the Education Workforce Council and a new code of professional conduct and practice for registrants (Dec 2014)
- the Children, Young People and Education Committee into the Qualifications Wales Bill: Consultation (Jan 2015)
- the NAW's Enterprise and Business Committee's Inquiry into Employment Opportunities for People over 50.unding and Student Finance Arrangements in Wales (Feb 2015)
- the Welsh Government's Post-16 Policy Branch, Aligning the apprenticeship model to the needs of the Welsh economy (April 2015)
- The NAW's Enterprise and Business Committee's consultation on the Welsh Government's Co-investment Policy (July 2015)
- the NAW's Children, Young People and Education Committee into the Draft Additional Learning Needs and Education Tribunal (Wales) Bill (Nov 2015)
- the House of Commons, Trade Union Bill (Oct 2015)
- Consultation response on 'How Estyn Inspects' (Nov 2015)
- Submission to the Review of the Regulation and Oversight of post-compulsory Education and Training in Wales - The Hazelkorn Review (Dec 2015)

ColegauCymru representatives also met with the Education Minister, the Deputy Minister for Education and Skills, and Welsh Government officials with regards to the further education budgets for 2015-2016 and 2016-2017.

### **Research and Development Projects**

ColegauCymru acts as a coordination point and lead organisation on a range of national-level projects that help develop staff or that provide significant learning opportunities for students. Activities include:

- **GCSE/Essential Skills/WelchBac project:** Ahead of the introduction of the Essential Digital Literacy Skills qualification for teaching from September 2015, ColegauCymru managed the Digital Literacy Practitioners Programme, developing, piloting and delivering training for practitioners in further education, work based learning and adult and community learning. ColegauCymru is also developing and delivering CPD for teaching staff in post-16 education and training in preparation for the introduction of the new GCSEs.
- **Erasmus+:** Erasmus+ is the European Union programme for education, training, youth and sport. ColegauCymru has been successful in securing funding for a staff study visit to Finland in 2014, a staff study visit to the Basque Country in 2015 and also a learner mobility project in 2015.
- **EU Initiatives in Vocational Education and Training (VET):** ColegauCymru acts for the Welsh Government as the National Contact Point (NCP) in Wales for the European Qualifications Framework (EQF), European Credit System for Vocational Education and Training (ECVET) and European Quality Assurance in Vocational Education and Training (EQAVET). This project runs for three years until March 2016.
- **Leonardo da Vinci:** This was the European Commission's Lifelong Learning Programme that ran from 2007 – 2013. This project ended in May 2015. The project involved 11 FE colleges in Wales.



- **Rainova:** ColegauCymru was one of 14 European partners in the Rainova project exploring regional approaches to innovation in the vocational education and training sector. The three year project, led by the Basque Country, ended in December 2014.
- **British Council Wales International Education Programme (IEP):** The IEP is a programme funded by the Welsh Government and implemented by the British Council. ColegauCymru represents the FE sector on the IEP. Funding was secured through the IEP for a delegation of senior teaching and learning managers from 7 FE colleges in Wales to visit community colleges in Canada in November 2014.
- **Welsh/Bilingual:** ColegauCymru has continued working in partnership with the Coleg Cymraeg Cenedlaethol to increase the number of Welsh medium progression routes and secured £30,000 investment for projects for five colleges in 2014/15 and a further £21,500 has been invested in projects for six colleges in 2015/16. Following the formation of a MoU with the Urdd in 2014, six new vocational competitions were launched in 2015 with a number of colleges entering and winning.

The Welsh Government funded a 14-19 cross-sector forum to encourage cross sector collaboration between Welsh medium schools and colleges operating in three regions in Wales, North Wales, South East Wales and South West Wales. The forum has continued to provide funded linguistic opportunities for our learners to attend subject specific conferences in 2014/15, with £30,000 allocated per forum.

ColegauCymru made a successful bid for £70,000 of Welsh Government funding to be re-invested into FE Welsh-medium projects. In consultation with FE colleges and other post-16 education providers, four projects were identified in health and social care digital library of teaching resources; extra-curricular activities for students; the creation of a leaflet highlighting Welsh/bilingual opportunities for students, and a language awareness on-line resource to be used as an essential part of induction for staff and CPD in FE colleges (and the wider post-16 education and skills sector) in Wales. The First Minister officially launched two of the project resources at the Urdd Eisteddfod in May 2015.

- **ECVET Experts Project:** ColegauCymru is the national contact point (NCP) for the ECVET Experts which is being led by Ecorys, the UK National Agency that manages Erasmus+ funding. This project explores how to add value to European mobility periods through official recognition of the learning acquired overseas. The project commenced in March 2014 and will finish at the end of December 2015.
- **Sports:** With financial support from Sport Wales, ColegauCymru has been able to bring national coordination and a higher profile to physical activity and sports in Wales' colleges. The three areas of focus are: supporting opportunities to develop elite level sportsmen and women; student volunteering and peer-led developments; physical activity among under-represented groups. | [www.welshcollegessport.wales](http://www.welshcollegessport.wales)
- **Money for Life Financial Capability Project:** ColegauCymru was the Wales manager of the Money for Life – a UK-wide initiative by Lloyds Banking Group (2012-2015) that trained young people's advisors, mentors and tutors on financial inclusion matters and which coordinated a high profile UK-wide annual money management competition for young people aged 16-25.
- **Employability Programme:** This project has been funded by Barclays plc through the National Skills Academy for Financial Services (NSAFS) and aims to address the lack of awareness and understanding of the skills, competencies and behaviours that employers seek from their employees. Eleven colleges participated in the project and received grants totaling £27,600.

### **Continuous Professional Development and Training**

- ColegauCymru provides continuous professional development (CPD) training events and conferences that are attended by members and the wider post-16 education sector in Wales and England. The training continues to support colleges by providing cost-effective quality training in order to achieve the aim of raising standards and achieving excellence in teaching and learning. For example, it:
  - coordinates a range of professional networks on its CPD portal, Moodle, and delivers CPD programmes for practitioners and managers in FE
  - focuses on raising quality in teaching and learning through a series of conferences and international study visits and recognising good practice through the ColegauCymru Awards
  - assists colleges to increase the type and range of opportunities available to students through the medium of Welsh, or through a Welsh/English bilingual mix at all levels including transition to higher education, and extending to both in-class as well as social and extra-curricular opportunities.

### **Activities Delivering Public Benefit**

ColegauCymru continues to organise VQ Day (vocational qualifications day) in Wales, in partnership with the Welsh Government and the National Training Federation for Wales (NTfW) each June. The purpose of the event and accompanying media activity is to provide a platform to demonstrate the value of vocational qualifications and to celebrate individuals' successes on a national stage using case studies of previous vocational learners. Taster sessions for members of the public and schoolchildren are hosted as part of the Day and delivered by FE institutions and independent providers. An Awards Ceremony is also organised to celebrate vocational success, which in 2014, took place at the Coleg y Cymoedd's Nantgarw Campus.

In addition, in an effort to further improve understanding of vocational education across Wales, ColegauCymru has worked collaboratively with NTfW and the Welsh Government through the Skills Champions' Network. WorldSkills is a competition held in a different country every two years for 18-24 year olds in around 50 vocational skill areas. The competitions at lower levels, Skills Competitions Wales, are designed to inspire young, inexperienced vocational learners to aim high in their learning and career paths. The level of collaboration and output continues to strengthen.

Welsh Colleges Sport provides opportunities for students to compete in inter-college leagues, enter British Colleges sports competitions and play for Welsh Colleges international sides in their chosen sport. Within the normal calendar there will be Welsh regional tournaments where colleges can compete to represent Wales at the British Colleges National Championships at Bath University. ColegauCymru is responsible for implementing "Going for Gold" the FE strategy for sport in Wales. Since February 2014 this has evolved to include "State of Play" an audit of sports provision in FE in Wales and the ColegauCymru National Sports Development Plan – a strategic plan for delivery of FE sport in Wales. A new Welsh Colleges Sport Steering group has also been convened to oversee and guide the development of all aspects of FE sport.

ColegauCymru recognises that under charity legislation and in meeting its charitable objects, it must ensure that education has been advanced for the benefit of the general public in Wales. During the year, the company set out a number of priorities which had the ultimate aim of ensuring that education standards were improved for the ultimate benefit of learners, communities and employers in Wales. Access to FE for all who wish to participate is an important matter for ColegauCymru and its members.

### **Community Service and Access**

The direct beneficiaries of the charity include staff, managers, governors and learners of its member colleges/institutions. Other beneficiaries of the charity's services include a cross-section of organisations that are not members. They include organisations from the private, voluntary and public sectors, third sector further education institutions and community learning facilities – as well as potential learners. Beneficiaries include individuals and groups from a wide cross-section of the public, including people from economically disadvantaged backgrounds; those with learning difficulties and/or disabilities; those who did not achieve academic success at school; those who have suffered disruption to their learning for a wide range of reasons such as raising children, or suffering drug abuse, mental health issues or from bullying.

Colleges are essentially local and regional institutions providing services in their communities. Most students come from areas close to their local college. In addition to their main and satellite campuses, colleges have over 1,000 outreach centres, seeking to offer learning at places close to the learner. Colleges' services include: theatres, farm shops, catering outlets, hairdressing and beauty salons, travel agencies, leisure facilities, crèches, and garden centres, all of which are used extensively by their local communities. They make their facilities available to local communities such as libraries and IT access including broadband facilities, and various leisure and other activities.

The charity and its member colleges welcome learners (and staff) from a diversity of backgrounds and do not discriminate against race, religion, sexual orientation, gender or age.

### **Future Plans and Activities**

Following the passage of the Further and Higher Education Act 2014 and various commencement orders and statutory instruments, colleges now have increased freedoms and have a new working relationship with the Welsh Government. The negotiations over the national contract for staff in FE have been completed and are being implemented.

The next National Assembly for Wales elections take place on 5 May 2016. ColegauCymru has published its manifesto which sets out four recommendations on how the next Government and the sector can deliver the ambition of world-class post-16 education and skills for Wales.

1. Drive productivity by raising an employer-led supply of skills.
2. Improve opportunities of 16-19 year old learners by providing a full range of options, academic and vocational, across Wales
3. Secure higher level vocational education that meets Wales' economic needs
4. Meet the needs of learners in all their diversity

ColegauCymru will be working closely with members over the coming year to take these recommendations forward and deliver benefits to their learners and wider communities.

Continuing with the Welsh Government's transformation agenda the YMCA and WEA Cymru merged on 1 August 2015.

## Financial Review

Total income for the group was £1,975,556, an increase of £320,867. The income attributable to rentals receivable under the lease and leaseback arrangements undertaken by fforwm Services Limited has reduced but has been offset by an increase in grants received during the year. The performance of fforwm Services Limited is commented on separately below.

The group (the company and its trading subsidiary fforwm Services Limited) made a surplus for the year on ordinary activities of £17,658 before actuarial loss on the defined benefit scheme of £51,000 (2014: gain of £373,000).

## Principal Funding Sources

ColegauCymru received £595,728 funding through membership subscriptions from colleges and FE institutions. Other principal sources of income included the receipt of grant income for specific educational projects totalling £943,515 and the provision of training under an MA programme for middle managers. The income from subscriptions has made it possible for ColegauCymru to deliver activities outlined in the business plan and to support Wales' colleges and FE institutions.

## Investment Policy

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

In order to secure the funds of the charity all investments are made in the company name. The trustees, having considered the operating requirements of the charity and the reserves policy have, for the purpose of security, adopted the policy of holding funds in an interest bearing account with the balance placed on treasury deposit with a major clearing bank. The use of treasury deposits seeks to achieve the best interest rate possible for the funds with no risk attached.

## Reserves Policy

At the year end, the group has accumulated net assets totalling £1,397,961 (2014: £1,431,303). Of these assets £579,574 is held in fixed assets, these include the purchased office premises and a pension asset of £33,000 (2014: £21,000). The Directors regularly review the level of reserves to ensure the group is financially secure. The reserves are held in line with prudent financial management to provide sufficient assets to enable ColegauCymru to cover any contingencies which may arise and ensure the continuation of ColegauCymru's activities.

ColegauCymru is aware of the need to secure its viability beyond the immediate future and is committed to providing services over the longer term. In order to continue to operate in the longer term it is necessary to be able to absorb unforeseen setbacks and to be able to take advantage of opportunities which arise. In order to fulfill this requirement the Directors recognise their responsibility to ensure that adequate reserves are maintained in the charity, whilst ensuring that as much money as possible is expended to further the objects of the charity.

The Directors agreed that adequate reserves are necessary:

- to retain a sum equal to six months' operating costs of £299,000, which we are currently working towards
- to ensure the continued operation of ColegauCymru funds should be retained to meet the accommodation requirements
- ColegauCymru is involved in numerous projects each year, funds are received from external bodies to fund these projects

In order to ensure that the requirements and potential liabilities of the projects can be met a balance equivalent to one quarter's (three months) project income. Based on the previous year's project income as defined by the financial statements, should be held in reserves to mitigate against unplanned liability arising from project activity. This will assist in the successful completion of projects and safeguard against external dependencies. This income was £943,515 in 2015 (2014: £444,971).

The Directors recognise the need to review the policy on an annual basis to ensure that it continues to meet the requirements of the charity.

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

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

#### **Directors' Responsibilities in Relation to the Financial Statements**

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

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

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

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

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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

### **fforwm Services Limited**

fforwm Services Limited was established in 1995 and is the charity's trading subsidiary. The company's principal activities include the provision of CPD training for college staff and the wider post-16 education sector, property and equipment leasing. Following the cessation of the Welsh Further Education Purchasing Consortium the company had a quiet year but more CPD is anticipated.

The company made a profit for the year on ordinary activities of £72 (2014: £698 surplus) after making a deed of covenant payment of £2,200 (2014: £3,250) to Colleges Wales / ColegauCymru Ltd.

During the year the company's turnover decreased to £337,620 (2014: £497,702). This decrease can be attributed partly to the cessation of the WFEP activities on 31 July 2014 and a reduction in the use of leasing arrangements by participating educational institutions and consequently, a loss of income to the company and partly due to a reduction in project income and conference activities.

Following the decision released on the Halifax case and the subsequent decision on Weald Leasing negotiated settlements with colleges, represented by PWC, and HMRC are taking place. The decline of income through the leasing arrangements will reduce the level of surplus generated by fforwm Services Limited in future years. In order to mitigate this, additional staff development activities are planned, these are projected to enable fforwm Services Limited to return a small surplus in future years.

The Directors consider the overall financial performance of the company during the year to be satisfactory. The reduction in lease income was predicted and has been a key subject of discussion at Board meetings. As stated above, other activities will be expanded to provide additional income.

### **Limited by Guarantee**

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

### **Directors**

The Directors of the company and their appointments and resignations during the year are detailed in the Report of the Directors on the subsidiary company's financial statements.

**Auditors**

The external auditors Bevan & Buckland have been appointed for three year contract which expires in 2015/16.

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

By Order of the Board



Chair of the Board  
Judith Evans

Date 15/3/16



## Corporate Governance Statement

ColegauCymru is committed to demonstrate best practice in all aspects of corporate governance.

The trustees' are responsible for the overall strategic direction of the charity and monitors its financial performance and ensures that the annual business plan, drawn up by the Chief Executive is considered, approved and then monitored by the Board.

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

The trustees' convene seven times a year and has delegated authority to the following committees with terms of reference:

- Remuneration Committee: to determine the remuneration of the Chief Executive on an annual basis
- Audit Committee: to consider detailed reports together with recommendations for the improvement of systems of internal control and management's responses and implementation plans. The Committee meets twice a year, with the external auditors in attendance if requested. The Audit Committee has two external members who are not members of ColegauCymru's Board.

Both committees are chaired by trustees of the Board.

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

**COLLEGES WALES / COLEGAU CYMRU LIMITED**  
**(Limited by Guarantee)**  
**INDEPENDENT AUDITORS' REPORT**  
**TO THE TRUSTEES OF COLLEGES WALES / COLEGAU CYMRU**  
**FOR THE YEAR ENDED 31 JULY 2015**

We have audited the financial statements of Colleges Wales / Colegau Cymru Limited and its subsidiary company for the year ended 31 July 2015, on pages 19 to 46. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

As explained more fully in the Statement of Trustees' Responsibilities set out on pages 2 to 15, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of Trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and Parent Company's affairs as at 31 July 2015 and of the group's and parent company's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**COLLEGES WALES / COLEGAU CYMRU LIMITED**  
**(Limited by Guarantee)**  
**INDEPENDENT AUDITORS' REPORT**  
**TO THE TRUSTEES OF COLLEGES WALES / COLEGAU CYMRU**  
**FOR THE YEAR ENDED 31 JULY 2015**

**OPINION ON MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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



ALISON VICKERS (SENIOR STATUTORY AUDITOR)  
FOR AND ON BEHALF OF  
BEVAN & BUCKLAND  
CHARTERED ACCOUNTANTS  
AND STATUTORY AUDITORS  
LANGDON HOUSE  
LANGDON ROAD  
SA1 SWANSEA WATERFRONT  
SWANSEA  
SA1 8QY

DATE ..... 18/3/2016 .....

**COLLEGES WALES / COLEGAU CYMRU LIMITED**  
(Limited by Guarantee)  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**AND INCOME & EXPENDITURE ACCOUNT**  
(including Statement of Total Recognised Gains and Losses)  
**FOR THE YEAR ENDED 31 JULY 2015**

Note	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £	
<b>INCOMING RESOURCES</b>					
<b>Incoming resources from generated funds:</b>					
<b>Voluntary income</b>					
Grants and subscriptions	3	595,728	-	595,728	609,770
<b>Activities for generating funds :</b>					
Commercial trading operations	6	337,620	-	337,620	507,652
Investment income	4	16,952	-	16,952	15,604
		950,300	-	950,300	1,133,026
<b>Incoming resources from charitable activities:</b>					
Advancement of education for the benefit of the general public	5	62,758	962,498	1,025,256	521,663
<b>Total incoming resources</b>		<b>1,013,058</b>	<b>962,498</b>	<b>1,975,556</b>	<b>1,654,689</b>
<b>RESOURCES EXPENDED</b>					
<b>Cost of generating funds</b>					
Commercial trading operations	6	335,437	-	335,437	503,747
<b>Charitable activities</b>					
Charitable expenditure	7	604,906	978,709	1,583,615	1,021,437
Governance costs	7	38,552	-	38,552	47,679
<b>Total resources expended</b>		<b>978,895</b>	<b>978,709</b>	<b>1,957,604</b>	<b>1,572,863</b>
<b>NET INCOMING / (OUTGOING) RESOURCES BEFORE TAXATION</b>					
		34,163	(16,211)	17,952	81,826
Taxation		54	-	54	666
<b>NET INCOMING / (OUTGOING) RESOURCES AFTER TAXATION</b>		<b>34,109</b>	<b>(16,211)</b>	<b>17,898</b>	<b>81,160</b>

**COLLEGES WALES / COLEGAU CYMRU LIMITED**  
**(Limited by Guarantee)**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**(including Statement of Total Recognised Gains and Losses)**  
**FOR THE YEAR ENDED 31 JULY 2015**

Note	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
brought forward	34,109	(16,211)	17,898	81,160
Transfer to restricted funds	(16,211)	16,211	-	-
Actuarial (loss) / gain on defined benefit scheme	19 (51,000)	-	(51,000)	373,000
Net movement in funds in year	(33,102)	-	(33,102)	454,160
<b>RECONCILIATION OF FUNDS</b>				
Total funds brought forward	16 1,431,303	-	1,431,303	977,143
<b>TOTAL FUNDS CARRIED FORWARD</b>	16 1,398,201	-	1,398,201	1,431,303

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

The company has not presented its own statement of financial activities as permitted by section 408 of the Companies Act 2006. The surplus of the parent for the year before taxation is £17,880 (2014: £81,130).

The notes on pages 28 to 46 form part of these accounts.

**COLLEGES WALES / COLEAGAU CYMRU LIMITED**  
(Limited by Guarantee)  
COMPANY NO. 2832103  
**CONSOLIDATED BALANCE SHEET**  
**FOR THE YEAR ENDED 31 JULY 2015**

	Note	2015		2014	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	11	579,574		782,441	
<b>CURRENT ASSETS</b>					
Debtors	14	333,604		337,170	
Cash at bank and in hand		839,441		688,222	
		1,173,045		1,025,392	
<b>CREDITORS: amounts falling due within one year</b>					
	15	(387,418)		(397,530)	
<b>NET CURRENT ASSETS</b>					
		785,627		627,862	
<b>Total assets less current liabilities</b>					
		1,365,201		1,410,303	
<b>Defined benefit pension scheme asset</b>					
		33,000		21,000	
<b>TOTAL ASSETS</b>					
		1,398,201		1,431,303	
<b>FUNDS</b>					
Unrestricted funds	16				
General Fund		797,837		642,109	
Capital Asset Reserve		567,364		768,194	
Pension Reserve		33,000		21,000	
Restricted funds	16	-		-	
		1,398,201		1,431,303	

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The Financial Statements were approved by the Board of Trustees on ..... 15/7/16 ..... and signed on

..... *JM Evans* .....

Judith Evans - Director

**COLLEGES WALES / COLEAGAU CYMRU LIMITED**  
(Limited by Guarantee)  
**COMPANY NO. 2832103**  
**COMPANY BALANCE SHEET**  
**FOR THE YEAR ENDED 31 JULY 2015**

	Note	2015		2014	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	10		567,364		768,194
Investments	11		-		100
			567,364		768,294
<b>CURRENT ASSETS</b>					
Debtors	12	300,131		204,722	
Cash at bank and in hand		770,735		673,363	
		1,070,866		878,085	
<b>CREDITORS: amounts falling due within one year</b>					
	13	(289,418)		(252,347)	
<b>NET CURRENT ASSETS</b>					
			781,448		625,738
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			1,348,812		1,394,032
<b>Defined pension scheme asset</b>					
	17		33,000		21,000
<b>TOTAL ASSETS</b>					
			1,381,812		1,415,032
<b>Represented by:</b>					
<b>FUNDS</b>					
Unrestricted funds	14				
General Fund			781,548		625,838
Capital Asset Reserve			567,364		768,194
Pension Reserve			33,000		21,000
Restricted funds	14		-		-
			1,381,912		1,415,032

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The Financial Statements were approved by the Board of Trustees on 15/3/16 and signed on their behalf by:

..... *Ju Evans* .....

Judith Evans - Director

**COLLEGES WALES / COLEGAU CYMRU LIMITED**  
**(Limited by Guarantee)**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 JULY 2015**

	Note	2015 £	2014 £
Net cash inflow from operating activities	1	(20,671)	50,713
<hr/>			
Returns on investment and servicing of finance			
Interest received		1,134	712
Taxation		(294)	(226)
Capital expenditure		(9,489)	(4,809)
		<b>(8,649)</b>	<b>(4,323)</b>
<hr/>			
Cash inflow before management of liquid resources and financing		<b>(29,320)</b>	46,390
<hr/>			
Increase in cash in the year		<b>(29,320)</b>	46,390
<hr/>			



**COLLEGES WALES / COLEGAU CYMRU LIMITED**  
**(Limited by Guarantee)**  
**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 JULY 2015**

<b>1 Reconciliation of net consolidated incoming resources for the year to net cash inflow from operating activities</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Net incoming resources for the year	17,952	81,826
Depreciation charge	31,811	32,342
Decrease / (Increase) in debtors	3,566	(14,708)
(Decrease) / Increase in creditors	(9,866)	10,006
Investment income	(1,134)	(1,753)
Current service cost less contributions to the pension scheme	(10,000)	(24,000)
Other finance income from the pension scheme	(53,000)	(33,000)
<b>Net cash inflow from operating activities</b>	<b>(20,671)</b>	<b>50,713</b>

<b>2 Analysis of changes in net fund</b>	<b>At 31 July</b>	<b>Cash</b>	<b>At 31 July</b>
	<b>2014</b>	<b>Flows</b>	<b>2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	688,222	151,219	839,441

**COLLEGES WALES / COLEGAU CYMRU LIMITED**  
**(Limited by Guarantee)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2015**

## **1 PRINCIPAL ACCOUNTING POLICIES**

### **Basis of Accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards, the Statement of Recommended Practice "Accounting and Reporting by Charities 2005" (SORP) issued in March 2005, applicable UK Accounting Standards and the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial statements are set out below.

### **Tangible Fixed Assets**

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

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

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

The freehold property has been valued during the year by an independent valuer under the instruction of the directors. As a result there has been an impairment charge of £180,539 charged to the Statement of Financial Activities.

### **Incoming Resources**

Turnover represents the invoiced value of services supplied, annual college subscriptions and income from various government and other grants.

Income from voluntary income included subscription income receivable from member colleges and is recognised when the charity is entitled to the income.

Grant income is recognised when it is reasonably certain to be received and only deferred when the donor has imposed restrictions on the expenditure or resources which amount to pre-conditions on use.

Income from generated fund relates to commercial trading activities is recognised as earned (as the related goods and services are provided).

Investment income is recognised on a receivable basis.

Lease income is charged to the Statement of Financial Activities in the period to which they relate on a straight line basis.

**COLLEGES WALES / COLEGAU CYMRU LIMITED**  
**(Limited by Guarantee)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2015**

**PRINCIPAL ACCOUNTING POLICIES - (Cont'd)**

**Taxation**

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

Its subsidiary company, Fforwm Services Limited, gifts their surplus to its holdign company. Any surplus remaining is subject to corporation tax.

**Pension**

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

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

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

**Fund accounting**

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

**Unrestricted funds**

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

**Restricted funds**

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

**COLLEGES WALES / COLEGAU CYMRU LIMITED**  
**(Limited by Guarantee)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2015**

**PRINCIPAL ACCOUNTING POLICIES - (Cont'd)**

**Basis of consolidation**

The consolidated financial statements consolidate the financial statements of the company and its wholly owned subsidiary, Fforwm Services Limited for the financial year ended 31 July 2015 on a line by line basis. A separate statement of financial activities and income and expenditure account are not presented for the charity itself following the exemptions afforded by section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

**Resources expended**

Expenditure is recognised on an accrual basis as a liability is incurred. Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities, and its services for its beneficiaries. Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fee and costs linked to the strategic management of the charity. All costs allocated between the expenditure categories of the SOFA are on a basis designed to reflect the use of the resources.

**Foreign Currencies**

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

**Operating leases**

The group has entered into a number of lease and leaseback arrangements with educational institutions.

Lease income is charged to the Statement of Financial Activities in the period to which they relate on a straight line basis.

Lease expense in respect of operating leases are charged to the Statement of Financial Activities in the period to which they relate on a straight line basis.

**Irrecoverable VAT**

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

**COLLEGES WALES / COLEGAU CYMRU LIMITED**  
(Limited by Guarantee)  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2015**

**2 Results of the Parent Company**

A separate statement of financial activities and income and expenditure account are not presented for the charity itself following the exemptions afforded by section 408 of the Companies Act 2006 and paragraph 397 of the SORP. The parents company's gross income and surplus for the year are as follows:-

	2015	2014
Gross Income	1,640,047	1,150,244
Surplus	17,880	81,130

3 Voluntary Income	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Annual subscriptions	595,698	-	595,698	609,670
Misc. Room hire	30	-	30	100
	<b>595,728</b>	<b>-</b>	<b>595,728</b>	<b>609,770</b>

4 Investment Income	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Colleges Wales / ColegauCymru	1,045	-	1,045	1,710
Fforwm Services Limited	89	-	89	43
Rental Income	15,818	-	15,818	13,851
	<b>16,952</b>	<b>-</b>	<b>16,952</b>	<b>15,604</b>

**5 Incoming Resources from Charitable Activities:**

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Incoming Resources from:				
Training Activities	42,290	-	42,290	57,050
Representational Activities	20,468	-	20,468	19,642
Research/Project Activities	-	962,498	962,498	444,971
<b>Total</b>	<b>62,758</b>	<b>962,498</b>	<b>1,025,256</b>	<b>521,663</b>

**COLLEGES WALES / COLEGAU CYMRU LIMITED**  
(Limited by Guarantee)  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2015**

**6 Commercial trading operations and investment in trading subsidiary**

The company has a wholly owned trading subsidiary, Fforwm Services Limited incorporated in England and Wales, which it acquired on 14 July 1995. Fforwm Services Limited was established to conduct the business activities of Colleges Wales / Colegau Cymru Limited, its parent company. These activities currently comprise the provision of professional training, development courses and property and equipment leasing. In 2014 the activities included the work of the Welsh Further Education Purchasing Consortium (WFEPc) which ceased on 31 July 2014. The net assets of the subsidiary are £16,390 (2014: £16,372).

The trading results are shown below :

	2015 £	2014 £
Turnover	337,620	507,652
Cost of sales	(308,157)	(464,312)
Gross profit	29,463	43,340
Administrative expenses	(27,280)	(39,435)
Operating profit	2,183	3,905
Interest receivable and similar income	89	43
Deed of covenant	(2,200)	(3,250)
Profit on ordinary activities	72	698
Tax on profit on ordinary activities	(54)	(666)
Profit for the financial year	18	32

**COLLEGES WALES / COLEGAU CYMRU LIMITED**  
(Limited by Guarantee)  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2015**

**11 Tangible fixed assets - Group**

Group	Freehold Property £	Office equipment £	Fixtures & Fittings £	Computer equipment £	Total £
<b>Cost</b>					
At 1 August 2014	843,650	47,920	83,486	21,456	996,512
Additions at cost	-	8,321	-	1,168	9,489
Disposals at cost	-	(12,237)	-	(2,498)	(14,735)
<b>At 31 July 2015</b>	<b>843,650</b>	<b>44,004</b>	<b>83,486</b>	<b>20,126</b>	<b>991,266</b>
<b>Depreciation</b>					
At 1 August 2014	101,238	42,633	49,631	20,569	214,071
Charge for the year	16,873	5,311	8,356	1,278	31,818
Impairment	180,539	-	-	-	180,539
Disposals	-	(12,238)	-	(2,498)	(14,736)
<b>At 31 July 2015</b>	<b>298,650</b>	<b>35,706</b>	<b>57,987</b>	<b>19,349</b>	<b>411,692</b>
<b>Net book value</b>					
<b>At 31 July 2015</b>	<b>545,000</b>	<b>8,298</b>	<b>25,499</b>	<b>777</b>	<b>579,574</b>
At 31 July 2014	742,412	5,287	33,855	887	782,441

**12 Tangible fixed assets - Company**

Company	Freehold Property £	Office equipment £	Fixtures & Fittings £	Computer equipment £	Total £
<b>Cost</b>					
At 1 August 2014	843,650	29,552	52,425	14,360	939,987
Additions at cost	-	5,744	-	806.00	6,550
Disposals at cost	-	(8,004)	-	(1,527)	(9,531)
<b>At 31 July 2015</b>	<b>843,650</b>	<b>27,292</b>	<b>52,425</b>	<b>13,639</b>	<b>937,006</b>
<b>Depreciation</b>					
At 1 August 2014	101,238	25,890	31,102	13,563	171,793
Charge for the year	16,873	3,650	5,250	1,068	26,841
Impairment	180,539	-	-	-	180,539
Disposals	-	(8,004)	-	(1,527)	(9,531)
<b>At 31 July 2015</b>	<b>298,650</b>	<b>21,536</b>	<b>36,352</b>	<b>13,104</b>	<b>369,642</b>
<b>Net book value</b>					
<b>At 31 July 2015</b>	<b>545,000</b>	<b>5,756</b>	<b>16,073</b>	<b>535</b>	<b>567,364</b>
At 31 July 2014	742,412	3,662	21,323	797	768,194

**COLLEGES WALES / COLEGAU CYMRU LIMITED**  
**(Limited by Guarantee)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2015**

**12 Tangible fixed assets - Con't**

The freehold property has been valued during the year by an independent valuer under the instruction of the directors. As a result there has been an impairment charge of £180,539 charged to the Statement of Financial Activities.

<b>13 Fixed asset investments</b>	<b>Company</b> <b>2015</b> <b>£</b>	<b>Company</b> <b>2014</b> <b>£</b>
Investment in subsidiary	<b>100</b>	<b>100</b>

Information relating to the charity's trading subsidiary, Fforwm Services Limited, registered in England and Wales and its activities during the year, are shown in note 6.

<b>14 Debtors</b>	<b>Group</b> <b>2015</b> <b>£</b>	<b>Company</b> <b>2015</b> <b>£</b>	<b>Group</b> <b>2014</b> <b>£</b>	<b>Company</b> <b>2014</b> <b>£</b>
Amounts falling due within one year				
Trade debtors	<b>108,684</b>	<b>67,017</b>	194,688	127,905
Accrued income	<b>156,590</b>	<b>156,055</b>	71,312	38,460
Amounts due from subsidiary undertaking	-	<b>65,952</b>	-	31,180
Other taxation and social security	<b>17,765</b>	-	17,463	-
Prepayments	<b>50,565</b>	<b>9,907</b>	53,707	7,176
	<b>333,604</b>	<b>298,931</b>	<b>337,170</b>	<b>204,721</b>

<b>15 Creditors : amounts falling due within one year</b>	<b>Group</b> <b>2015</b> <b>£</b>	<b>Company</b> <b>2015</b> <b>£</b>	<b>Group</b> <b>2014</b> <b>£</b>	<b>Company</b> <b>2014</b> <b>£</b>
Trade creditors	<b>107,733</b>	<b>105,619</b>	47,279	29,530
Accruals	<b>113,184</b>	<b>109,476</b>	113,825	95,624
Deferred income	<b>152,108</b>	<b>59,984</b>	217,465	110,118
Corporation tax	<b>54</b>	-	666	-
Other taxation and social security	<b>14,339</b>	<b>14,339</b>	18,295	17,075
	<b>387,418</b>	<b>289,418</b>	<b>397,530</b>	<b>252,347</b>



**COLLEGES WALES / COLEGAU CYMRU LIMITED**

(Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2015**

Deferred income is analysed as follows and relates to income which has been received in the year for activities which occur in 2014/15.

	2015 £	2014 £
ESDGC in FE project activity 2011/12	24,085	24,085
WFEPc	9,990	28,618
Lease finance agreements for future periods	58,049	54,645
LearnDirect rental income	1,334	1,319
Welsh learning technologies	933	4,000
VETS Project	16,013	14,950
Sports Grant	15,580	46,013
Chongqing	22,268	23,596
Leonardo 13-15	-	16,574
Rainova project	-	3,665
Itunes	2,839	-
Governance Project	1,017	-
	<b>152,108</b>	<b>217,465</b>

<b>16 Funds - Group</b>						
	At 01.08.14 £	Incoming resources	Resources expended	Transfer between fund	Actuarial Loss on pension	At 31.07.15 £
<b>Unrestricted funds</b>						
General Fund	642,109	1,013,058	(771,569)	(34,761)	(51,000)	797,837
Capital Asset Reserve	768,194	-	(207,380)	6,550	-	567,364
Pension Reserve	21,000	-	-	12,000	-	33,000
	1,431,303	1,013,058	(978,949)	(16,211)	(51,000)	1,398,201
<b>Restricted funds</b>						
Research/Project Activities	-	962,498	(978,709)	16,211	-	-
<b>TOTAL FUNDS</b>	<b>1,431,303</b>	<b>1,975,556</b>	<b>(1,957,658)</b>	<b>-</b>	<b>(51,000)</b>	<b>1,398,201</b>

<b>Funds - Company</b>						
	At 01.08.14 £	Incoming resources	Resources expended	Transfer between fund	Actuarial Loss on pension	At 31.07.15 £
<b>Unrestricted funds</b>						
General Fund	625,838	689,264	(448,993)	(34,761)	(51,000)	780,348
Capital Asset Reserve	768,194	-	(207,380)	6,550	-	567,364
Pension Reserve	21,000	-	-	12,000	-	33,000
	1,415,032	689,264	(656,373)	(16,211)	(51,000)	1,380,712
<b>Restricted funds</b>						
Research/Project Activities	-	943,515	(959,726)	16,211	-	-
<b>TOTAL FUNDS</b>	<b>1,415,032</b>	<b>1,632,779</b>	<b>(1,616,099)</b>	<b>-</b>	<b>(51,000)</b>	<b>1,380,712</b>

**COLLEGES WALES / COLEGAU CYMRU LIMITED**  
**(Limited by Guarantee)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2014**

**16 Funds - (Con't)**

The restricted fund received during the year were as follows:

	Opening balance	Income	Expenditure	Transfer from unrestricted funds	Closing balance
	£	£	£	£	£
iTunes U	-	2,206	2,206	-	-
VET and ECVAT	-	46,016	46,016	-	-
Governor code	-	18,983	18,983	-	-
Barclays	-	9,250	9,250	-	-
Rainova	-	(4,287)	5,146	9,433	-
Lloyds	-	178,063	178,063	-	-
Sport	-	113,968	113,971	3	-
Welsh	-	66,750	66,750	-	-
GCSE	-	450,000	450,000	-	-
Chongqing	-	1,328	1,328	-	-
Erasmus +	-	11,551	11,551	-	-
Leonardo 13	-	68,670	75,445	6,775	-
	-	962,498	978,709	16,211	-

iTunes U - The project will provide a learner focused platform through which learners can engage directly with learning content, on a range of devices, at any time, all the time. Access will not be constrained and will provide the whole education sector with a single infrastructure through which it can engage both learners and non-learners alike. It will also provide a platform on which valuable resources can be rehomed on a long term basis for the benefit of Wales.

Colleges Wales is the national contact point for ECVET. This project is exploring how to add value to mobility periods overseas through official recognition of the learning acquired overseas. The project started in March 2014 and will finish at the end of December 2015.

Barclays Bank have provided funding for Colleges to stage a Prepare for Work event between 2nd February and 1st May each year with resources and activities planned by Barclays Bank.

Colleges Wales is one of 14 European partners in the Rainova project exploring regional approaches to innovation in the vocational education and training sector. The 3 year project is led by the Basque Country and will run from January 2012 to December 2014.

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

GCSE - The project requires the project team to design and deliver a CPD programme for the new qualifications in Wales – GCSE English, GCSE Welsh, GCSE Mathematics, Essential Application of Number Skills, Essential Communications Skills, Essential Digital Literacy Skills, Essential Employability Skills and Welsh Baccalaureate to FE, WBL and ACL across Wales.

**COLLEGES WALES / COLEGAU CYMRU LIMITED**  
**(Limited by Guarantee)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2014**

**16 Funds - (Con't)**

Lloyds TSB Bank have provided funding to continue to deliver the project. 2014/15 funding is to deliver Teach me / Teach Others and Money Mentors training in Financial Capability for staff and community learners, a Money for Life Challenge and legacy grants of £1,000 that all national finalists can apply for.

EU Initiatives in Vocational Education and Training (VET): ColegauCymru acts for the Welsh Government as the National Contact Point (NCP) in Wales for the European Qualifications Framework (EQF), European Credit System for Vocational Education and Training (ECVET) and European Quality Assurance in Vocational Education and Training (EQAVET). This project runs for three years until March 2016.

Chongqing - Since 1 August 2014, the Wales China FE consortium has been managed by 7 colleges- Bridgend College, CAVC, Coleg Cambria, Coleg y Cymoedd, Gower College Swansea, NPTC Group and St David's Catholic College. CollegesWales no longer manages the consortium.

Erasmus+ is the European Union programme for education, training, youth and sport. ColegauCymru has been successful in securing funding for a staff study visit to Finland in 2014, a staff study visit to the Basque Country in 2015 and also a learner mobility project in 2015.

Leonardo 12-14 - This is the second centralised application that has been submitted by Colleges Wales on behalf of 12 colleges in Wales. The funding allowed 63 apprentices/full time vocational learners to undertake a two to three week work placement in Europe. The project ended on 31 May 2014 and the final report was submitted and approved by the National Agency at the end of July 2014.

Leonardo da Vinci: this was the European Commission's Lifelong Learning Programme that ran from 2007 – 2013. This project ended in May 2015. The project involved 11 FE colleges in Wales.

<b>Analysis of Net assets between funds</b>				
	<b>Fixed assets</b>	<b>Net current assets</b>	<b>Defined pension scheme asset</b>	<b>Total funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Unrestricted funds	579,574	785,627	-	1,365,201
Designated funds	-	-	-	-
Pension fund reserve	-	-	33,000	33,000
	<b>579,574</b>	<b>785,627</b>	<b>33,000</b>	<b>1,398,201</b>

**17 Financial commitments**

At 31 July 2015 the group had annual commitments under operating leases as follows :

	<b>Land and buildings</b>	<b>Other</b>	<b>Land and buildings</b>	<b>Other</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	<b>2015</b>	<b>2015</b>	<b>2014</b>	<b>2014</b>
Expiring within one year	-	-	-	-
Expiring after more than one year	199,750	322	314,572	322
In more than five years	-	-	-	-

The group has entered into a number of lease and leaseback arrangements with education institutions. The annual rental commitments of the group under the head leases of those lease and leaseback arrangements are shown above. Under each head lease, the group is able to cancel the lease at any time subject to three months notice.

**COLLEGES WALES / COLEGAU CYMRU**  
**(Limited by Guarantee)**  
**NOTES TO THE FINANCIAL STATEMENT**  
**FOR THE YEAR ENDED 31 JULY 2015**

**18 Capital commitments and contingencies**

There were no capital commitments as at 31 July 2015 (2014: nil)

**19 Pensions**

The charity participates in the Cardiff & Vale of Glamorgan pension fund (the "Fund"), which is part of the Local Government Pension Scheme. Colegau Cymru / Colleges Wales participates in the Fund which provides defined benefits on members' final pensionable salary. In accordance with FRS17 - Retirement Benefits disclosure defined benefits, of certain information concerning assets, liabilities, income and expenditure relating to pension schemes is required.

**Contributions for the year ending 31 July 2016**

The Employer's regular contributions to the fund for the year ending 31 July 2016 are estimated to be £0.060M. In addition, Strain on Fund Contributions may be required.

**Assumptions**

The latest actuarial valuation of Colleges Wales liabilities took place as at 31 March 2013. Liabilities have been estimated by the independent qualified actuary on an actuarial basis using the projected unit credit method. The principal assumptions used by the actuary in updating the latest valuation of the Fund for FRS17 purposes were:

	31-Jul-15 (% pa)	31-Jul-14 (% pa)	31-Jul-13 (% pa)
Discount rate	3.6	4.0	4.3
Rate of increase to pensions in payment	2.1	2.1	2.6
Rate of revaluation of pension accounts	2.1	2.1	n/a
Rate of general increase in salaries	3.1	3.1	4.5

**Mortality Assumptions**

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

**Assumed life expectancy at age 65**

	31 July 15	31 July 14
<b>Males</b>		
Future lifetime from age 65 (current aged 65)	23.8	23.7
Future lifetime from age 65 (current aged 45)	25.8	25.7
<b>Females</b>		
Future lifetime from age 65 (current aged 65)	26.7	26.6
Future lifetime from age 65 (current aged 45)	29.0	28.9

**COLLEGES WALES / COLEGAU CYMRU LIMITED**  
**(Limited by Guarantee)**  
**NOTES OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2015**

**19 Pensions - (Cont'd)**

**Expected return on assets**

The approximate split of assets for the Fund as a whole (based on data supplied by the Fund Administering Authority) is shown in the table below. Also shown are the assumed rates of return adopted by the Employer for the purposes of FRS 17.

	Long-term rate of return expected at 31-Jul-15 (% pa)	Asset split as at 31-Jul-15 (% pa)	Long-term rate of return expected at 31-Jul-14 (% pa)	Asset split as at 31-Jul-14 (% pa)	Long-term rate of return expected at 31-Jul-13 (% pa)	Asset split as at 31-Jul-13 (% pa)
Equities	-	76.9	7.5	78.0	7.8	77.8
Property	-	6.1	6.8	5.5	7.3	5.7
Government bonds	-	6.9	3.2	6.9	3.3	7.4
Corporate bonds	-	7.6	3.7	8.0	4.0	8.4
Cash	-	2.3	1.1	1.3	0.9	0.7
Other**	-	0.2	7.5	0.3	7.8	0.0
<b>Total</b>	<b>n/a*</b>	<b>100.0</b>	<b>6.8</b>	<b>100.0</b>	<b>7.1</b>	<b>100.0</b>

\* The adoption of FRS 102 in the next accounting period removes the requirement to recognise an expected return on assets item in the profit and loss account charge. This item will be replaced with a net financing charge which is based on the discount rate assumption. As expected return on assets is based on the assumption at the start of the accounting period, assumptions for the expected return on assets are not required at the accounting date.

**Reconciliation of funded status to balance sheet**

	Value at 31 July 2015 (£M)	Value at 31 July 2014 (£M)	Value at 31 July 2013 (£M)
Fair value of fund assets	2.051	2.035	1.792
Present value of liabilities	(2.018)	(2.014)	(2.201)
Net pension asset/(liability) before consideration of paragraph 41	0.033	0.021	(0.409)
Unrecognised asset due to limit in paragraph 41	0.000	0.000	0.000
Pension asset/(liability) recognised on the Balance Sheet	0.033	0.021	(0.564)

**COLLEGES WALES / COLEGAU CYMRU LIMITED**  
**(Limited by Guarantee)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2015**

**19 Pensions - (Cont'd)**

<b>Analysis of Profit and Loss Charge</b>	<b>Year ending 31 July 2015 (£M)</b>	<b>Year ending 31 July 2014 (£M)</b>
Current service costs	0.048	0.074
Past service costs	0.000	0.000
Interest costs	0.078	0.097
Expected return on assets	(0.131)	(0.130)
Curtailment cost	0.000	0.000
Settlement cost	0.000	0.000
<b>Expense recognised in statement of financial activities</b>	<b>(0.005)</b>	<b>0.041</b>

**Changes to the present value of liabilities during the year**

	<b>Year ending 31 July 2015 (£M)</b>	<b>Year ending 31 July 2014 (£M)</b>
Opening present value of liabilities	2.014	2.201
Current service cost	0.048	0.074
Interest cost	0.078	0.097
Contributions by participants	0.020	0.026
Actuarial (gains)/losses on liabilities *	0.109	(0.3760)
Net benefits paid out #	(0.251)	(0.008)
Past service cost	0.000	0.000
Net increase in liabilities from disposals and acquisitions	0.000	0.000
Curtailments	0.000	0.000
Settlements	0.000	0.000
<b>Closing present value of liabilities</b>	<b>2.018</b>	<b>2.014</b>

\* Includes changes to the actuarial assumptions

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

**COLLEGES WALES / COLEGAU CYMRU LIMITED**

(Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2015**

**19 Pensions - (Cont'd)**

**Changes to the present value of assets during the year**

	<b>Year ending 31 July 2015 (£M)</b>	<b>Year ending 31 July 2014 (£M)</b>
Opening fair value of assets	2.035	1.792
Expected return on assets	0.131	0.130
Actuarial losses on assets	0.058	(0.003)
Contribution by the employer	0.058	0.098
Contribution by participants	0.020	0.026
Net benefits paid out #	(0.251)	(0.008)
Net increase in assets from disposals and acquisitions	0.000	0.000
Settlements	0.000	0.000
<b>Closing fair value of assets</b>	<b>2.051</b>	<b>2.035</b>

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

<b>Actual return on assets</b>	<b>Year ending 31 July 2015 (£M)</b>	<b>Year ending 31 July 2014 (£M)</b>
Expected return on assets	0.131	0.130
Actuarial gain on assets	0.1	(0.003)
<b>Actual return on assets</b>	<b>0.189</b>	<b>0.127</b>

**Analysis of amount recognised in STRGL**

	<b>Year ending 31 July 2015 (£M)</b>	<b>Year ending 31 July 2014 (£M)</b>
Total actuarial (losses)	(0.051)	0.373
Change in irrecoverable surplus, effect of limit in paragraph 41	0.000	0.000
<b>Total (loss) in STRGL</b>	<b>(0.051)</b>	<b>0.373</b>

**COLLEGES WALES / COLEGAU CYMRU LIMITED**  
**(Limited by Guarantee)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2015**

**19 Pensions - (Cont'd)**

**History of asset values, present value of liabilities and surplus/deficit\***

	Year ending 31 July 2015 (£M)	Year ending 31 July 2014 (£M)
Fair value of assets	2.051	2.035
Present value of liabilities	(2.018)	(2.014)
<b>Gain</b>	<b>0.033</b>	<b>0.021</b>

\* This history can be built up over time and need not be constructed retrospectively (and once complete will show the current period and previous four periods)

**History of experience gains and losses \***

	Year ending 31 July 2015 (£M)	Year ending 31 July 2014 (£M)
Experience gains on assets	0.058	(0.003)
Percentage of assets	2.8%	-0.1%
Experience gains on liabilities#	0.003	0.183
Percentage of the present value of the liabilities	0.1%	9.1%

\* The history can be built up over time and need not be constructed retrospectively (and once complete will show the current and previous four periods)

# This item consists of gains/(losses) in respect of liability experience only and excludes any change in liabilities in respect of changes to the actuarial assumptions used.



**COLLEGES WALES / COLEGAU CYMRU LIMITED**  
**(Limited by Guarantee)**  
**NOTES FOR THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2015**

**20 Related party transactions**

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

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

The directors of the company during the year and their relationship with the respective Colleges were :

<b>Director</b>	<b>College</b>	<b>Relationship</b>
Judith Evans	Coleg y Cymoedd	Chair
Glyn Jones OBE	Grŵp Llandrillo Menai	Deputy Chair
David Jones OBE	Coleg Cambria	Principal/Chief Executive
Mark Jones	Gower College Swansea	Principal/Chief Executive
Jim Bennett (resigned 31 July 2015)	Coleg Gwent	Principal
Guy Lacey (appointed 22 Spetember 2015)	Coleg Gwent	Acting Principal
Simon Pirotte	Bridgend College	Chief Executive
Mark Dacey	NPTC Group	Chief Executive
Maggie Dawson MBE (resigned 31 July 2015)	WEA Cymru	Chief Executive
Mark Isherwood	YMCA Community College	Principal
Mike James	Cardiff & Vale College	Principal
Barry Liles	Coleg Sir Gâr	Principal/Chief Executive
Mark Leighfield	St David's Catholic College	Principal
Sharon Lusher	Pembrokeshire College	Principal
John O'Shea	The College Merthyr Tydfil	Principal
Jacqui Weatherburn	Coleg Ceredigion	Principal
Liz James (appointed 12 November 2014)	Coleg y Cymoedd	Observer
John Clutton (appointed 12 November 2014)	Coleg Cambria	Observer

The Directors of the subsidiary undertaking, Fforwm Services Limited, during the year and their relationship with the respective Colleges were:

<b>Director</b>	<b>College</b>	<b>Relationship</b>
Judith Evans	Coleg y Cymoedd	Chair
Mike James	Cardiff and Vale College	Principal
Mark Jones (resigned 21 May 2015)	Gower College Swansea	Principal/Chief Executive
Barry Liles (appointed 23 september 2014)	Coleg Sir Gâr	Principal/Chief Executive
Glyn Jones OBE	Grŵp Llandrillo Menai	Principal

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

**COLLEGES WALES / COLEGAU CYMRU LIMITED**

(Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENT**

**FOR THE YEAR ENDED 31 JULY 2015**

**20 Related party transactions - (Con't)**

**Income invoiced to Colleges during the year**

	<b>Subs- criptions</b>	<b>Chongqing</b>	<b>Sport</b>	<b>Staff Devt</b>	<b>ALIS</b>	<b>Other</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bridgend College	35,505	1,698	-	60	-	25	37,288
Cardiff and Vale College	59,800	2,888	-	-	-	293	62,981
Coleg Ceredigion	7,270	-	-	-	-	175	7,445
Coleg Gwent	63,850	4,061	-	30	3,843	245	72,029
Coleg y Cymoedd	63,850	3,059	1,521	722	958	50	70,160
Coleg Sir Gâr	35,505	1,618	-	4,723	899	-	42,745
Coleg Cambria	63,850	3,805	-	-	-	195	67,850
Gower College Swansea	56,540	2,547	-	-	-	503	59,590
Grŵp Llandrillo Menai	63,850	4,276	-	-	4,726	540	73,392
Merthyr Tydfil College	12,975	870	1,521	-	-	293	15,659
NPTC Group	59,800	2,637	-	4,349	2,749	293	69,828
Pembrokeshire College	23,435	1,114	-	1,444	-	50	26,043
St David's Catholic College	8,780	509	1,521	-	1,754	98	12,662
WEA Cymru	8,500	446	-	-	-	-	8,946
YMCA	2,570	90	-	-	-	-	2,660
<b>Total</b>	<b>566,080</b>	<b>29,618</b>	<b>4,563</b>	<b>11,328</b>	<b>14,929</b>	<b>2,760</b>	<b>629,278</b>

**Payments to Colleges during the year**

	<b>Catering/ Accom.</b>	<b>Chongqing</b>	<b>Training</b>	<b>Other</b>	<b>Projects</b>	<b>Bilingual</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bridgend College	-	-	-	-	10,650	-	10,650
Cardiff and Vale College	478	-	-	-	12,103	-	12,581
Coleg Ceredigion	-	-	-	-	3,052	-	3,052
Coleg Gwent	-	-	-	-	16,495	-	16,495
Coleg y Cymoedd	488	-	-	-	41,055	-	41,543
Coleg Sir Gâr	-	-	-	-	16,773	-	16,773
Coleg Cambria	-	-	-	606	39,574	-	40,180
Gower College Swansea	-	-	-	-	42,544	-	42,544
Grŵp Llandrillo Menai	366	-	-	-	26,069	-	26,435
Merthyr Tydfil College	-	-	-	-	11,245	-	11,245
NPTC Group	3,595	-	-	-	27,589	-	31,184
Pembrokeshire College	-	-	-	240	17,248	-	17,488
WEA Cymru	-	-	-	-	3,052	-	3,052
	<b>4,927</b>	<b>-</b>	<b>-</b>	<b>846</b>	<b>267,449</b>	<b>-</b>	<b>273,222</b>

**COLLEGES WALES / COLEGAU CYMRU LIMITED**  
**(Limited by Guarantee)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2015**

**20 Related party transactions - (Con't)**

**The following amounts were receivable from Colleges at 31 July 2015 :**

	<b>£</b>
Cardiff and Vale College	293
Coleg Cambria	195
Grŵp Llandrillo Menai	4,392
Neath Port Talbot College	3,041
Pembrokeshire College	1,444
St David's Catholic College	98
<b>Total</b>	<b>9,462</b>

**There were no payments due to Colleges at 31 July 2015**

**COLLEGES WALES / COLEGAU CYMRU LIMITED**

(Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENT**

**FOR THE YEAR ENDED 31 JULY 2015**

**20 Related party transactions - (Con't)**

**Fforwm Services Ltd**

**Income invoiced to Colleges during the year**

	<b>Lease rental income</b>	<b>Staff development course</b>	<b>Annual Conference</b>	<b>Other</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bridgend College	-	1,135	1,315	-	2,450
Cardiff and Vale College	-	225	2,925	-	3,150
Coleg Ceredigion	-	-	220	-	220
Coleg Gwent	-	1,225	1,715	-	2,940
Coleg y Cymoedd	-	1,110	2,890	-	4,000
Coleg Sir Gâr	-	1,500	985	-	2,485
Coleg Cambria	-	950	675	-	1,625
Gower College Swansea	-	755	3,505	-	4,260
Grŵp Llandrillo Menai	76,000	1,420	3,105	-	80,525
Merthyr Tydfil College Ltd	-	60	925	-	985
Neath Port Talbot College	-	1,761	1,450	-	3,211
Pembrokeshire College	-	566	1,555	-	2,121
St David's 6th Form College	-	240	-	-	240
WEA South / YMCA	-	215	630	-	845
<b>Total</b>	<b>76,000</b>	<b>11,162</b>	<b>21,895</b>	<b>-</b>	<b>109,057</b>

**Payments to Colleges during the year**

	<b>Lease rental expenditure</b>	<b>Catering Accom and Room Hire</b>	<b>Other</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cardiff and Vale College	-	-	251	251
Grŵp Llandrillo Menai	75,000	-	-	75,000
Neath Port Talbot College	-	838	-	838
<b>Total</b>	<b>75,000</b>	<b>838</b>	<b>251</b>	<b>76,089</b>

**The following amounts were receivable from Colleges at 31 July 2015 :**

	<b>£</b>
Cardiff and Vale College	3,715
Coleg Gwent	50
Coleg Sir Gâr	360
Gower College Swansea	5,112
Grŵp Llandrillo Menai	528
Merthyr Tydfil College Ltd	96
Neath Port Talbot College Group	2,640
Pembrokeshire College	2,430
<b>Total</b>	<b>14,931</b>

**COLLEGES WALES / COLEGAU CYMRU LIMITED**  
(Limited By Guarantee)  
**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 JULY 2015**

	Year ended 31 July 2015	Year ended 31 July 2014
	£	£
<b>INCOME</b>		
College subscriptions	595,698	609,670
Grants receivable	832,207	409,722
Sports Grant income	111,308	-
Other income	81,771	136,403
Bank interest	1,134	1,753
Rents received	15,818	13,851
WFPC	18,629	112,889
Staff development activities	19,602	71,971
Lease rental income	244,435	248,013
Annual conference and AGM	54,686	50,180
Room hire	268	237
	<b>1,975,556</b>	<b>1,654,689</b>
<b>Cost of sales</b>		
Other operating leases	235,976	239,250
Staff development expenditure	13,419	72,072
Annual conference	44,083	33,273
WFPC	14,679	101,714
	<b>308,157</b>	<b>446,309</b>
<b>Expenditure</b>		
AoC subscription	26,925	32,310
Welsh baccalaureate	-	284
Sponsorship	9,245	9,391
Conferences	506	369
MA leadership & management programme	61,799	63,830
Functional networks	47,468	48,358
Staff training	1,923	2,897
Public affairs and representation	11,856	10,897
Website development	2,286	258
Projects & advisory groups	931,476	469,246
Directors liability insurance	-	155
Staff costs	257,664	339,355
Accommodation	18,318	18,029
Office administration	38,832	52,825
Travel & expenses	4,619	6,708
Legal & professional fees	8,218	3,967
Auditors remuneration	8,880	7,955
Bank charges	6,632	4,499
Bad debts	450	22,845
Donations	-	25
Depreciation:		
Freehold property	16,873	16,873
Fixtures & fittings	13,660	12,381
Computer equipment	1,278	3,097
Exceptional item		
Impairment on property	180,539	-
	<b>1,649,447</b>	<b>1,126,554</b>
<b>SURPLUS FOR THE YEAR</b>	<b>17,952</b>	<b>81,826</b>