



Colleges Wales / Colegau Cymru Limited

Consolidated Financial Statements

for the Year Ended 31 July 2012

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

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COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2012

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CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2012

The Trustees/Directors present their report and the audited financial statements for the year ended 31 July 2012

Charity Name	Colleges Wales / Colegau Cymru Limited
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Company Number 2832103

Registered Charity Number 1060182

Registered Office and operational address Unit 7
Cae Gwyrdd
Greenmeadow Springs
Tongwynlais
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CF15 7AB

External Auditors

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Bankers Barclays Bank plc
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Trustees and Directors

The Board is comprised of seven Principals and three Chairs of Governors of colleges in Wales. The Trustees/Directors of the company during the year were

David Jones (Chair)	Principal, Deeside College
Mark Jones (Senior Vice Chair)	Principal, Bridgend College
Nick Bennett (Vice Chair)	Principal, Gower College Swansea
Simon Pirotte (Vice Chair) (appointed 1 September 2011)	Principal, Coleg Powys
Jim Bennett	Principal, Coleg Gwent
Judith Evans	Principal, Coleg Morgannwg
Glyn Jones OBE (appointed 30 May 2012)	Principal, Grŵp Llandrillo Menai
Derek Lloyd	Chair of Governors, Pembrokeshire College
David Mason (appointed 1 September 2011) (resigned 13 February 2013)	Chair of Governors, Merthyr Tydfil College Ltd
Jon Parry (appointed 3 July 2012)	Chair of Governors, Coleg Harlech WEA(N)

Senior Staff Members

John Graystone	Chief Executive, ColegauCymru
Greg Walker (appointed 20 January 2012)	Deputy Chief Executive, ColegauCymru
Julie Lewis	Company Secretary

No Director held any shares in the company at any time during the year

The Board of Management has formally constituted committees which act with delegated authority from the full Board. Information on the Board's committees is given below, together with details of membership during the year to 31 July 2012

Key Committees

Audit Committee	Nick Bennett (Chair), Mark Jones, Paul Martin
Remuneration Committee	David Jones (Chair), Mark Jones

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Structure, Governance and Management

The company was originally incorporated in 1993 as fforwm Limited and on 1 July 2009 changed its name to Colleges Wales / Colegau Cymru Limited and was branded as 'ColegauCymru / CollegesWales' fforwm Services Limited was established in 1995 and is a wholly owned subsidiary of Colleges Wales / Colegau Cymru Limited

Governing Document

ColegauCymru is a national educational charity that represents all of Wales' further education (FE) colleges and designated FE institutions ColegauCymru is a charitable company limited by guarantee, incorporated and registered as a charity on 16 January 1997 The company was established under a Memorandum of Association which establishes the objects and powers of the charitable company and is governed under its Articles of Association

Recruitment and Appointment of the Board of Directors

The Directors are also charity trustees for the purposes of charity law The Board is comprised of three Chairs of FE governing bodies and seven Principals who are nominated by the member colleges Four Principals are appointed on a national basis, three Chairs of FE governing bodies and three Principals are elected from each of the three regions in Wales, namely Mid/North Wales, South West Wales and South East Wales No Chair and Principal from the same college can serve simultaneously as a Director on the Board The three regionally elected Principals are responsible for convening one of three Regional Principals' forums, which allows Principals to meet on a regular basis in their respective regions to discuss a range of strategic issues of importance to colleges Similarly the three Chairs of the FE governing bodies are responsible for convening one of three Regional Chair of Governors forums which allows discussion on issues relating to governance and accountability of the college and education sector along with a range of strategic issues

Under the requirements of the Memorandum and Articles of Association, each member of the Board of Directors is elected to serve for a period of not more than three years after which s/he may be re-appointed for a further three years provided that no member holds office for more than six years in aggregate All appointments are ratified by member colleges at the Annual General Meeting All members of the Board 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

Due to the nature of the charity's activities and the composition of its Board of Directors and that of its subsidiary, it is inevitable that in the course of its normal business activities the charity will undertake transactions with those colleges in which a member of the Board will have an interest All such transactions are conducted at arm's length and in accordance with the normal financial procedures Details of such transactions are set out in note 19 to the accounts

Director Induction

To ensure the Board operates effectively, new Directors receive an information pack outlining their legal obligations and their duties as Board Members including the Memorandum and Articles, financial performance, relevant policies and procedures and future plans and objectives along with Charity Commission information and publications The Chief Executive meets new Directors individually to explain how the Board operates The Directors are also encouraged to attend training events where relevant

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Organisation

ColegauCymru operates on a self-funding basis through subscriptions from its member further education (FE) colleges and institutions. All 17 FE colleges (including Merthyr Tydfil College, University of Glamorgan) and the two FE institutions in Wales are in membership. Additional income is generated by organising professional training events, conducting research and coordinating development projects related to the education sector in Wales.

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 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).

The Chief Executive is responsible for the day to day management of ColegauCymru. The charity is accredited as an Investor in People.

Risk Management

The Directors review the company's activities at Board meetings, which are held six times a year, and they assess the risks to which the company is exposed. As part of this process the Directors monitor a risk management strategy that comprises of

- regular reviews of the risks that might affect the company
- the establishment of systems and procedures to mitigate any risks identified
- the implementation of internal procedures designed to minimise any potential impact on the company should any of the risks materialise

A review of the major strategic, business and operational risks to which ColegauCymru is exposed is conducted and reported on a bi-annual basis to the Audit Committee. Areas of significant risk are referred to the Board for its immediate attention.

Objectives and Aims

The company's charitable objects and principal activities remain to promote the advancement of education for the benefit of the general public in Wales. Through its work, the charity seeks 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

The aims of the charity follow on from the objectives with a key focus on post-14 education, lifelong learning and skills. The prime purpose is to raise the profile of FE with key decision-makers to improve opportunities for learners in Wales. In carrying out its mission, ColegauCymru supports its member colleges in the continuous pursuit of high quality education, training and lifelong learning aimed at stimulating economic development, social well being and cultural life, raising skills levels and improving opportunities for learners and meeting the demands of employers for the benefit of the general population in Wales.

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Community Service and Access

The direct beneficiaries of the charity include staff, managers and governors of its member colleges/institutions and learners. Other beneficiaries of the charity's services include a cross-section of organisations which 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 the widest 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 institutions providing local services to local people. 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.

Operational Activities

ColegauCymru exists to support, represent and promote Wales' post-16 education sector. It provides a range of services to its members including networks, conferences, research, consultancy and the sharing of good practice. Through ColegauCymru, colleges are represented on various committees, working parties and other groups influencing and shaping policy in post-16 education and lifelong learning sector.

ColegauCymru has a high reputation for responding positively to changes in its external environment. While colleges are local providers, their response in meeting national policy demands and changing curriculum requirements is more coherent and more rapid because of the support work of ColegauCymru.

During the 2010/11 academic year there were 312,450 enrolments on learning programmes in the further education (FE) sector in Wales, 77% (240,125) of those enrolments were at FE colleges¹. 23% (46,190) of FE enrolments on learning programmes were full-time and 77% (152,130) part-time. Most learners (71%) are over the age of 19, with 29% aged between 16-19 years. Seventeen FE colleges deliver HE courses in Wales, enrolling approximately 7,000 HE learners. 82% of those learners were taking courses franchised from higher education institutions (HEIs).

Representational role

ColegauCymru has continued to build on its representational role while maintaining and developing its services to member colleges. A key focus during the year was responding, with the support of member colleges, to Welsh-Government review of 14-19 qualifications in Wales. In order to facilitate the gathering of evidence and to ensure that the charity was in a position to represent its members in all of the key areas of the Review, ColegauCymru set up and managed a bilingual online discussion forum which then fed into a major consultation conference, organised in

¹ SDR 51/2012 Further Education, Work-based Learning and Community Learning in Wales 2010/11, Welsh Government, 28 March 2012

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partnership with the Welsh Government (WG) in February 2012, which attracted 150 delegates. Other important reviews that ColegauCymru invested considerable effort in representing its members were those on the market for general qualifications, higher education learning within further education institutions (HE in FE), new funding arrangements for post-16 education, and the draft Welsh Language Standards. ColegauCymru has also submitted written evidence on changes in EU funding, the UCAS admissions process to universities, the proposal to set up a registration body for the education workforce in FE, the future of Higher Education in Further Education colleges and part-time fees for higher education. In addition, oral and written evidence was submitted to the review of the Learning and Skills (Wales) Measure. ColegauCymru gave oral and written evidence to the National Assembly for Wales's Enterprise and Business Committee's inquiry into apprenticeships in Wales in April and May 2012. The Thomas Review on education structures and the Humphreys Review on FE governance will have important implications for colleges. Informal feedback has shown that the evidence from ColegauCymru is widely perceived as being authoritative and constructive and has helped shape the content of reports. Indeed the Thomas Review stated that *"ColegauCymru has become a collectively energetic and valued organisation showing exemplary commitment to improving education and training in Wales"*.

ColegauCymru seeks to ensure that curriculum matters have a high profile in terms of shaping policy and responding to initiatives. ColegauCymru has been proactive in developing policies affecting post-16 learners in Wales including colleges' involvement in the 14-19 agenda, the Welsh Baccalaureate Qualification, apprenticeships and in the delivery of wider higher education courses including Foundation Degrees in the FE sector, and the impact of the Review of 14-19 Qualifications and the planning and funding system in Wales. ColegauCymru has supported colleges as they respond to the economic downturn and help reinvigorate the economy of Wales by responding to various Welsh Government (WG) employment and training initiatives such as Pathways to Apprenticeships and Adult Skills, ReAct and the successor to ProAct.

Raising Standards and Sharing Good Practice

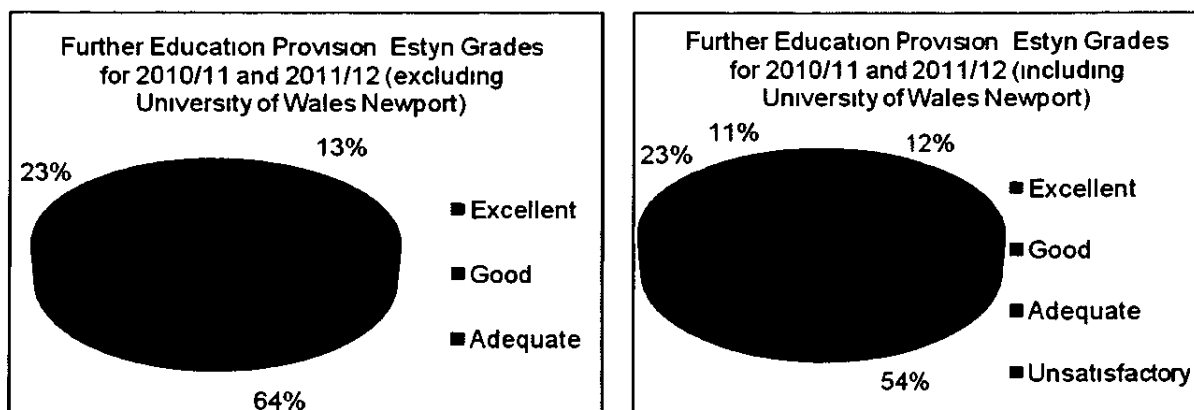
ColegauCymru continues to work with member colleges to take forward self-regulation and encourage the sharing of best practice. The Improving Quality Group has built on the benchmarking activities between colleges and worked closely with the Welsh Government's Department for Education and Skills (DfES) on its national quality effectiveness framework.

ColegauCymru organised a one day Teaching and Learning Conference in March 2012. The conference focused exclusively on raising the quality of teaching and learning and proved to be the largest event organised by ColegauCymru with over 230 attendees from 17 colleges and a number from work-based learning and community learning organisations.

Since September 2010, under the Common Inspection Framework, six FE colleges and one HE institution (offering an Access to Higher Education programme) have been inspected, namely, Coleg Morgannwg (Oct 2010), St David's Catholic College (Nov 2010), Pembrokeshire College (Feb 2011), University of Wales, Newport (May 2011), Ystrad Mynach College (Nov 2011), Gower College Swansea (Jan 2012) and Coleg Gwent (Jul 2012). The graphs below display their composite grades, including and excluding the HEI provider.

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During the inspections, sector leading practice has been identified by inspectors in three colleges St David's Catholic College (eILP and WBQ), Pembrokeshire College (Learner Voice and Resources for Industry) and Gower College Swansea (ethnic support team, the Kenya project and diversity projects)

A key focus for ColegauCymru has been taking forward the National Bilingual Strategy for FE in Wales. The director of bilingualism has worked closely with colleges and their bilingual champions in ensuring that the colleges are progressing the development of a Welsh ethos, increasing opportunities for students to progress with their Welsh language skills and that they are further developing a Welsh-medium and bilingual curriculum.

WorldSkills is a competition held in a different country every two years for 18-24 year olds in around 50 vocational skill areas. The standard of competition is world class. Since 2010, ColegauCymru has actively supported efforts by colleges, the WG and independent providers to improve quality of vocational learning in Wales using WorldSkills as the benchmark. As a result, colleges in Wales have been given opportunities to learn from WorldSkills training managers across the UK and to raise quality through sharing good practice.

Continuous Professional Development Training

- During the year, 3,573 delegates attended 181 continuous professional development (CPD) training and conference events run by ColegauCymru. The training events are attended by members and non-members. Last year, a total of 567 delegates attended from FE colleges, schools, higher education, private training providers and other educational organisations. The training aims to maintain a high level of CPD which ultimately benefits the learners and the local communities that colleges serve.
- The Postgraduate Certificate (PgCert) in Leadership and Management and the MA Leadership and Management (FE) both continue. In 2011/12 ColegauCymru organised a total of 43 MA & Postgraduate training events at which 535 college staff attended. To date, 76 students have successfully completed the MA programme. The PgCert is delivered in partnership with the University of Glamorgan. As at July 2012, 18 students were enrolled on the course from eight FE colleges. Thirteen students have successfully completed the course and two students have progressed on to the MA Programme.
- ColegauCymru facilitates 25 curriculum and functional managers' networks which meet 2 – 3 times a year. Attendance at the network meetings is free. A number of the networks are attended by private training providers, adult community learning providers and higher education institutions.

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- 129 people attended ColegauCymru's 19th annual conference in May 2012. The ColegauCymru Annual Awards Ceremony 2013, held as part of the annual conference dinner, attracted 170 guests.

Research and Development Projects

ColegauCymru has been successful in bidding for a number of educational research and development projects. These include:

- The European Commission's Lifelong Learning Programme, Leonardo da Vinci. The project aims to secure work placements in Europe for apprentices and full time Initial Vocational Education and Training (IVET) learners from Wales, and to facilitate and support the organisation and preparation of the learners for the placements. ColegauCymru has been working with host partners in ten European countries and with eleven colleges in Wales to provide work placements for over 90 apprentices and full time IVET learners from 10 vocational areas: engineering (electrical, mechanical, welding, automotive), hospitality and catering, youth offending services, hair and beauty, business administration, childcare, construction, agriculture, graphic design and customer services.
- Money for Life Financial Capability Project. This is Lloyd's Banking Group's £4 million financial capability and personal money skills programme, targeted at the FE and adults and community learning (ACL) sectors. Led by ColegauCymru and delivered in partnership with NTfW, the project achieved the following:
 - 42 teams of young people entered the Money for Life Challenge and a Wales Final event was held at Cardiff City Stadium in April. Wales' winners went on to win the UK final in London in May.
 - 95 practitioners from the wider FE sector were trained on the OCN accredited 'Teach others – facilitating financial capability skills' course.
 - 95 practitioners from the wider FE sector trained on the OCN accredited 'Teach Me' interactive on-line course to improve their own understanding and knowledge of money management.
 - Deeside College, funded by an embedding grant, developed a 30-hour course for ESW learners at level 2 to deliver Application of Number through a financial context.
- Money Skills Weeks. This project is funded by Barclays plc through the National Skills Academy for Financial Services (NSAFS). The initiative is designed to strengthen students' financial skills and knowledge, reduce their financial stress, and increase their chances of achieving their educational goals. The aim is to support 1,000 Money Weeks in the UK over the next 2 years. All 16 colleges involved in the first year went on to participate again in the second year.
- In 2011, the WG set aside the system under which colleges were funded – the National Planning and Funding System – for three academic years: 2011/12 – 2013/14 with the intention of developing a new system for implementation from 2014/15. Following the completion of a WG-commissioned research project in 2011 on the Credit and Qualifications Framework for Wales, ColegauCymru was commissioned by the WG to undertake additional work to further develop this theme, under the heading 'Learning Area Programme'. The purpose of the Learning Area Programme project was to develop and test a new type of model for funding education for 16-19 year olds.

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- Further Education to Higher Education Progression Project this was a WG-funded project managed by ColegauCymru during 2011/12 which provided an overview of progression from FE level 3 to HE level 4+ for Wales and its regions. It also identified trends in progression, gaps in opportunities and barriers that hinder widening access to HE in Wales

CollegesWales (UK) International

The Wales-Chongqing Further Education Consortium, which is managed by ColegauCymru, reviewed its first year of operation in July 2012 with all of its 11 member colleges agreeing to honour their two-year commitment to the venture. The development of new, and the strengthening of existing, partnerships in Chongqing during the first year has built the foundations for more commercially oriented activities in Year 2.

The Consortium employs a Further Education Project Officer, based at the Welsh Government's offices in Chongqing, to promote the consortium's services within the city and also further afield in China.

The further education institutions involved in the consortium are

- Bridgend College
- Cardiff and Vale College
- Coleg Gwent
- Coleg Harlech WEA (N) and WEA (S)
- Grŵp Llandrillo Menai
- Coleg Morgannwg
- Coleg Powys
- Deeside College
- Gower College Swansea
- Yale College, Wrexham
- Ystrad Mynach College

Welsh FE Purchasing Consortium

Through its subsidiary company, fforwm Services Limited, the charity is involved in the running of the Welsh FE Purchasing Consortium (WFEPC). WFEPC continues to meet targets set for value for money savings, sustainability and best practice. Savings amounted to over £1.5m during 2011/12 and based on a rechargeable cost base of £76k, equating to a saving of £20 for every £1 invested as WFEPC subscriptions by colleges.

WFEPC is continuing to develop its relationship with other purchasing consortia in order to expand the frameworks offered to FE colleges in Wales. It continues with its initiative to seek reductions in the fees colleges pay to awarding bodies for examinations. The WFEPC is working with WG's Procurement Board under the Efficiency and Innovation Taskforce to ensure the needs of the sector are reflected in any changes to procurement policy.

Activities Delivering Public Benefit

ColegauCymru, through the WFEPC, is working with its members to understand what aspects in relation to 'Community Benefits' may be included in tendering opportunities. This could include areas already identified by the WG, for example promoting corporate social responsibility, contributions to community groups and other actions to reduce poverty and tackle inequality. The WFEPC is also promoting to members the WG's Supported Businesses framework for furniture, e-cycling and signage which is already opening up greater business to organisations.

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ColegauCymru continues to organise VQ Day (vocational qualifications day) in Wales, in partnership with the WG 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 on VQ Day, which in 2012, took place at the National Museum of Wales in Cardiff. In addition, in an effort to further improve understanding of vocational education across Wales, ColegauCymru worked closely with the WG, Wales' Skills Network, and the NTfW to ensure Wales had a high profile during the WorldSkills London 2011 competition in October 2011. As part of the build-up to WorldSkills 2011, the organising partners in Wales established Skills Competitions Wales. These are competitions at lower levels, designed to inspire young, inexperienced vocational learners to aim high in their learning and career paths.

Through the financial capability projects that ColegauCymru manages in Wales (Money for Life and Money Skills Weeks), the charity has reached housing associations, credit unions, a homeless centre, and Communities First areas. In order to ensure that Money for Life has a wide reach and impact, ColegauCymru has shared with Welsh Government officials its focus group findings on how to motivate young people, contributed to a toolkit of resources available through the programme's accredited courses, worked with the National Grid for Learning (NGfL) to find ways of making the learner-centred resources available to all.

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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.

The strategic context

FE colleges have continued to respond positively to the WG's requirement to transform the post-16 education landscape. Colleges have led a number of mergers and collaborations and are working increasingly within regional partnerships. During the year, two college-college mergers took place:

- Barry College and Coleg Glan Hafren dissolved in Aug 2011 with the establishment of Cardiff and Vale College
- Grŵp Llandrillo Menai was formed from the merger between Coleg Menai and Coleg Llandrillo in April 2012

Future Plans and Activities

Continuing with the WG's agenda to transform the post-16 education landscape, four further college-college mergers and two college-HE mergers are currently underway and planned to take place by 1 August 2013:

- Yale College Wrexham and Deeside College
- Coleg Morgannwg and Ystrad Mynach College
- Neath Port Talbot College and Coleg Powys
- WEA South and Coleg Harlech/WEAN
- Coleg Sir Gâr and University of Wales Trinity St David's
- Coleg Ceredigion and University of Wales Trinity St David's

The funding allocations to Wales' FE colleges continue to be challenging, with below inflation increases and an expectation of in-college efficiency gains becoming the norm.

Nonetheless, colleges, through ColegauCymru, continue to look for and invest in new opportunities that deliver benefits to their learners and wider communities.

Following the publication of the Humphreys Report on FE Governance in 2011, which recommended that colleges establish a governance structure that was more akin to a social enterprise model, a number of colleges are now, with assistance of ColegauCymru, planning changes that will bring this about.

In addition, as part of the Olympics/Paralympics 2012 legacy, ColegauCymru is now drawing up a strategy to increase and widen participation in sport in colleges, including volunteering opportunities.

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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 education sector, property and equipment leasing and the purchasing consortium for FE colleges.

During the year, the company's leasing activities reduced with total turnover decreasing from £664,529 to £573,738. This decrease can be attributed to the uncertainty surrounding the future of the lease and leaseback arrangements due to the HM Customs & Excise challenge. This uncertainty has caused a cessation in the use of the arrangements by participating educational institutions and a consequent loss of income to the company.

The company made a surplus on ordinary activities of £229 (2011 £2,417) after making a payment to ColegauCymru under the deed of covenant of £14,428 (2011 £5,000). 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.

Financial Review

Transfer to Reserves

The deficit for the year, after allowing for an actuarial loss of £225,000 on the defined benefit pension scheme was £98,448 (2011 £80,199 Surplus) has been taken to reserves.

Fixed Assets

Following a decision taken by the Board in 2007/08 a major investment in new office accommodation was made in August 2008. Details of the movements in fixed assets during the year are set out in note 10 to the financial statements.

Directors

The Directors of the company and their appointments and resignations during the year are detailed under officers and professional advisors on page 3.

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Financial Review – Con't

Total income for the year increased to £1,7614,224 from £1,667,862. The increase in income can principally be attributed to the increase in grants received, a breakdown of the grants can be found in note 15.

The group (the company and its trading subsidiary Fforwm Services Limited) made a deficit for the year on ordinary activities of £98,448 after actuarial loss on the defined benefit scheme of £225,000 (2011 surplus of £80,199).

Principal Funding Sources

ColegauCymru received £588,900 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 £461,118 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 total assets of £780,742 (2011 £879,190). Of these assets £845,038 is held in fixed assets, these include the recently purchased office premises and included in liabilities is a pension liability of £564,000 that does not require to be settled immediately. The Directors regularly review the level of reserves to ensure the company 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.

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.

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The Directors agreed that adequate reserves are necessary

- to meet the liabilities in the pension provision identified under FRS17. An independent actuary report concluded that the liability was £564,000 for the year ended 31 July 2012
- to retain a sum equal to six months' operating costs of £360,000, which we are currently working towards
- to ensure the continued operation of ColegauCymru funds should be retained to meet the accommodation requirements

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 that give a true and fair view of the state of affairs of the charity at the end of the financial year and of its surplus or deficit for the financial year. 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

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2012

Statement as to Disclosure of Information to Auditors

In accordance with company law, as the Directors of the company, we certify that

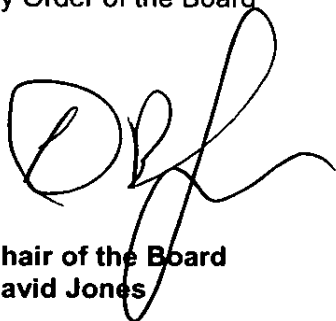
- so far as we are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and,
- as the Directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

Subject to a diligent tendering process Bevan Buckland were appointed as external auditors for a three year period from 2010/11 to 2012/13

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
David Jones

Date 11 March 2013

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2012

Corporate Governance Statement

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

The Board of Directors is 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 Board of Directors is 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 Board of Directors convenes six times a year and has delegated authority to the following committees with terms of reference

- Remuneration Committee
- Audit Committee

The committees are chaired by Directors of the Board

The Remuneration Committee determines the remuneration of the Chief Executive

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

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 2012

We have audited the financial statements of Colleges Wales / Colegau Cymru Limited and its subsidiary company for the year ended 31 July 2012, on pages 20 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 7, 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 2012 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, 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 2012

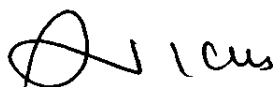
OPINION ON MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

18/3/2013

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 2012

	Note	Unrestricted funds £	Restricted funds £	Total 2012 £	Total 2011 £
Incoming Resources					
Incoming resources from generated funds					
Voluntary income					
Grants and Subscriptions	3	597,251	-	597,251	597,526
Activities for generating funds					
Commercial trading operations	6	573,738	-	573,738	664,529
Investment Income	4	13,047	-	13,047	13,354
		<u>1,184,036</u>	<u>-</u>	<u>1,184,036</u>	<u>1,275,409</u>
Incoming Resources from Charitable Activities					
Advancement of education for the benefit of the general public	5	134,011	443,177	577,188	392,453
		<u>1,318,047</u>	<u>443,177</u>	<u>1,761,224</u>	<u>1,667,862</u>
Total incoming resources					
Resources Expended					
Cost of Generating funds					
Commercial trading operations	6	559,121	-	559,121	657,159
Charitable Activities					
Charitable expenditure	7	567,052	449,099	1,016,151	844,367
Governance costs	7	59,174	-	59,174	60,137
		<u>1,185,347</u>	<u>449,099</u>	<u>1,634,446</u>	<u>1,561,663</u>
Total Resources Expended					
Net Incoming Resources before taxation					
		<u>132,700</u>	<u>(5,922)</u>	<u>126,778</u>	<u>106,199</u>
Taxation		226	-	226	-
Net incoming Resources after taxation					
		<u>132,474</u>	<u>(5,922)</u>	<u>126,552</u>	<u>106,199</u>
Transfer to restricted funds		(5,922)	5,922	-	-
Actuarial loss on defined benefit scheme		(225,000)	-	(225,000)	(26,000)
		<u>(98,448)</u>	<u>-</u>	<u>(98,448)</u>	<u>80,199</u>
Net movement in funds in year					
Reconciliation of Funds					
Total funds brought forward	15	<u>879,190</u>	<u>-</u>	<u>879,190</u>	<u>798,991</u>
Total Funds Carried Forward	15	<u>780,742</u>	<u>-</u>	<u>780,742</u>	<u>879,190</u>

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 2012

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 group for the year is £126,778 (2011: £106,199).

The notes on pages 29 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 2012

	Note	2012 £	£	2011 £	£
FIXED ASSETS					
Tangible assets	10		845,038		875,401
CURRENT ASSETS					
Debtors	13	233,134		231,229	
Cash at bank and in hand		<u>627,715</u>		<u>447,727</u>	
		860,849		678,956	
CREDITORS: amounts falling due within one year	14	<u>(361,145)</u>		<u>(302,167)</u>	
NET CURRENT ASSETS			499,704		376,789
Total assets less current liabilities			<u>1,344,742</u>		<u>1,252,190</u>
CREDITORS: amounts falling due more than on year					
Defined benefit pension scheme liability			(564,000)		(373,000)
TOTAL ASSETS			<u>780,742</u>		<u>879,190</u>
FUNDS					
Unrestricted funds	15		780,742		879,190
Restricted funds	15		<u>-</u>		<u>-</u>
			<u>780,742</u>		<u>879,190</u>

The Financial Statements were approved by the Board of Trustees on behalf by

and signed on

D Jones - Director



COLLEGES WALES / COLEAGAU CYMRU LIMITED
(Limited by Guarantee)
COMPANY NO 2832103
COMPANY BALANCE SHEET
FOR THE YEAR ENDED 31 JULY 2012

		2012		2011	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	11		820,169		845,946
Investments	12		100		100
			<u>820,269</u>		<u>846,046</u>
CURRENT ASSETS					
Debtors	13	128,994		101,297	
Cash at bank and in hand		<u>570,987</u>		<u>420,649</u>	
		699,981		521,946	
CREDITORS amounts falling due within one year					
Creditors	14	<u>191,728</u>		<u>132,003</u>	
NET CURRENT ASSETS			508,253		389,943
Total assets less current liabilities			<u>1,328,522</u>		<u>1,235,989</u>
CREDITORS amounts falling due after more than one year					
Defined benefit pension scheme liability			(564,000)		(373,000)
TOTAL ASSETS			<u><u>764,522</u></u>		<u><u>862,989</u></u>
Represented by:					
FUNDS					
Unrestricted funds	15		764,522		862,989
Restricted funds	15		-		-
			<u><u>764,522</u></u>		<u><u>862,989</u></u>

The Financial Statements were approved by the Board of Trustees on 11 March 2013 and signed on their behalf by


D Jones - Director

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2012

	Note	2012	2011
		£	£
Net cash inflow from operating activities	1	186,338	196,853
Returns on investment and servicing of finance			
Interest received		1,008	1,249
Net cash inflow from returns on investments and servicing of finance		1,008	1,249
Capital expenditure			
Payments to acquire tangible fixed assets		(7,358)	(15,373)
Net cash out flow from capital expenditure		(7,358)	(15,373)
Cash inflow before management of liquid resources and financing		179,988	182,729
Increase in cash in the year		179,988	182,729

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2012

1 Reconciliation of net consolidated (outgoing)/incoming resources for the year to net cash inflow / (outflow) from operating activities

	2012	2011
	£	£
Net incoming resources for the year	126,779	106,199
Depreciation charge	37,720	36,104
(Increase) / decrease in debtors	(1,905)	34,904
Increase in creditors	58,752	26,895
Investment income	(1,008)	(1,249)
Current service cost less contributions to the pension scheme	(28,000)	(1,000)
Other finance income from the pension scheme	(6,000)	(5,000)
Net cash inflow from operating activities	<u>186,338</u>	<u>196,853</u>

2 Analysis of changes in net fund

	At 31 July	Cash	At 31 July
	2011	Flows	2012
	£	£	£
Cash at bank and in hand	<u>447,727</u>	<u>179,988</u>	<u>627,715</u>

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2012

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

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.

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.

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2012

PRINCIPAL ACCOUNTING POLICIES - (Cont'd)

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 Chantry 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 Chantry 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.

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.

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2012

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 2012 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.

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 2012

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 parent company's gross income and surplus for the year are as follows -

	2012	2011
Gross Income	1,201,874	1,008,297
Surplus	126,533	103,793

3 Voluntary Income

	Unrestricted funds £	Restricted funds £	Total 2012 £	Total 2011 £
Annual subscriptions	588,900	-	588,900	588,897
Welsh fora	4,759	-	4,759	4,859
Misc				
Recharges to Tenants	3,470	-	3,470	2,213
Room Hire	-	-	-	1,557
Catering	122	-	122	-
	597,251	-	597,251	597,526
	Unrestricted funds £	Restricted funds £	Total 2012 £	Total 2011 £
4 Investment Income				
Colleges Wales / Colegau Cymru	968	-	968	1,213
Fforwm Services Limited	40	-	40	36
Rental Income	12,039	-	12,039	12,105
	13,047	-	13,047	13,354

5 Incoming Resources from Charitable Activities:

	Unrestricted funds £	Restricted funds £	Total 2012 £	Total 2011 £
Incoming Resources from				
Training Activities	96,030	-	96,030	116,895
Representational Activities	37,981	-	37,981	19,689
Research/Project Activities	-	443,177	443,177	255,869
Total	134,011	443,177	577,188	392,453

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2012

5 Commercial trading operations and investment in trading subsidiary

The company has a wholly owned trading subsidiary, Fforwm Services Limited incorporated in England and Wales, which it acquired on 14 July 1995. Fforwm Services Limited was established to conduct the business activities of Colleges Wales / Colegau Cymru Limited, its parent company. These activities currently comprise the provision of professional training, the work of the Welsh Further Education Purchasing Consortium (WFEP) and development courses and property and equipment leasing. The net assets of the subsidiary are £16,320 (2011: £16,317).

The trading results are shown below	2012	2011
	£	£
Turnover	573,738	664,529
Cost of sales	(517,700)	(614,193)
Gross profit	<u>56,038</u>	<u>50,336</u>
Administrative expenses	(41,421)	(42,955)
Operating profit	<u>14,617</u>	<u>7,381</u>
Interest receivable and similar income	40	36
Deed of covenant	(14,428)	(5,000)
Profit on ordinary activities	<u>229</u>	<u>2,417</u>
Tax on profit on ordinary activities	(226)	-
Profit for the financial year	<u><u>3</u></u>	<u><u>2,417</u></u>

COLLEGES WALES / COLEGAU CYMRU LIMITED

(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2012

7 Resources expended - charitable activities

	Basis of Allocation	Representation & Support	Training	Research & Dev, Inc Projects	Governance	Total 2012 £	Total 2011 £
Costs Directly Allocated to Activities							
Educational Advancement	Direct	137,085	72,349	418,306	-	627,740	450,779
Staff costs	Direct	228,750	30,989	37,524	44,536	341,799	340,251
Travel	Direct	3,976	-	-	4,317	8,293	6,671
Support costs Allocated to Activities							
Accommodation	Staff time	7,998	943	1,142	1,356	11,439	10,926
Administration & Bank Charges	Staff time	19,419	2,103	2,547	3,023	27,092	24,142
Fees and charges	Staff time	9,833	598	724	859	12,014	28,648
Directors Liability Insurance	Staff time	-	-	-	1,094	1,094	1,076
Publicity and other costs	Staff time	14,214	625	336	399	15,574	12,890
Depreciation	Staff time	21,182	2,499	3,025	3,590	30,296	29,121
Total Resources Expended		442,457	110,106	463,604	59,174	1,075,341	904,504

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2012

8 Directors and employees

No director received any remuneration for their services to the group in 2012 or 2011

4 directors received a total of £2,905 in travelling and subsistence expenses in 2012 (2011 - 2 received £419)

One employee received emoluments in excess of £70,000 in 2012 (2011 - 2)

The average number of directors during the year was 10 (2011 - 10) The average number of persons employed by the company during the year was 14 (2011 - 12)

Staff costs for the above consisted of	2012	2011
	£	£
Wages and salaries	280,066	298,433
Pension costs	102,505	77,963
Social security costs	40,406	33,481
	422,977	409,877

Emoluments of higher paid employees	2012	2011
£80,000 to £90,000	-	1
£90,000 to £100,000	1	1

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

	2012	2011
Representation & Support	7	6
Training	2	2
Research & Development, inc Projects	1	1
Governance	1	1
WFEPc	3	2
	14	12

9 Net incoming / (outgoing) resources

	2012	2011
	£	£
Net incoming / (outgoing) resources are stated after charging / (crediting) the following		
Depreciation on owned tangible fixed assets	37,721	36,105
Operating lease rental - land and buildings	314,251	317,629
Operating lease rental - equipment	10,109	114,568
Auditors' remuneration - group	4,600	6,750
- company	3,500	3,000
- non audit	3,719	850
Legal and professional fees	29	3,701

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2012

10 Tangible fixed assets - Consolidated

Group	Building £	Office equipment £	Fixtures & Fittings £	Computer equipment £	Total £
Cost					
At 1 August 2011	843,650	53,665	83,355	24,147	1,004,817
Additions at cost	-	736	-	6,622	7,358
Disposals at cost	-	(6,382)	-	(8,965)	(15,347)
At 31 July 2012	843,650	48,019	83,355	21,804	996,828
Depreciation					
At 1 August 2011	50,619	34,588	24,619	19,590	129,416
Charge for the year	16,873	6,886	8,336	5,626	37,721
Disposals	-	(6,382)	-	(8,965)	(15,347)
At 31 July 2012	67,492	35,092	32,955	16,251	151,790
Net book value At 31 July 2012	776,158	12,927	50,400	5,553	845,038
At 31 July 2011	793,031	19,077	58,736	4,557	875,401

11 Tangible fixed assets - Company

Company	Building £	Office equipment £	Fixtures & Fittings £	Computer equipment £	Total £
Cost					
At 1 August 2011	843,650	32,600	52,335	13,362	941,947
Additions at cost	-	490	-	4,029	4,519
Disposals at cost	-	(4,031)	-	(4,213)	(8,244)
At 31 July 2012	843,650	29,059	52,335	13,178	938,222
Depreciation					
At 1 August 2011	50,619	19,622	15,400	10,360	96,001
Charge for the year	16,873	4,624	5,234	3,565	30,296
Disposals	-	(4,031)	-	(4,213)	(8,244)
At 31 July 2012	67,492	20,215	20,634	9,712	118,053
Net book value At 31 July 2012	776,158	8,844	31,701	3,466	820,169
At 31 July 2011	793,031	12,978	36,935	3,002	845,946

COLLEGES WALES / COLEGAU CYMRU LIMITED
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12 Fixed asset investments

	Company 2012 £	Company 2011 £
Investment in subsidiary	100	100

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

13 Debtors	Group 2012 £	Company 2012 £	Group 2011 £	Company 2011 £
Amounts falling due within one year				
Trade debtors	66,605	7,823	96,179	25,708
Accrued income	81,011	67,825	39,411	24,151
Amounts due from subsidiary undertaking	-	43,708	-	43,095
Other taxation and social security	16,509	-	18,534	-
Prepayments	69,009	9,638	77,105	8,343
	<u>233,134</u>	<u>128,994</u>	<u>231,229</u>	<u>101,297</u>

14 Creditors amounts falling due within one year

	Group 2012 £	Company 2012 £	Group 2011 £	Company 2011 £
Trade creditors	47,548	31,777	25,285	17,857
Accruals	130,888	125,974	96,983	90,408
Deferred income	162,111	16,655	160,586	5,790
Corporation tax	226	-	-	-
Other taxation and social security	20,372	17,322	19,313	17,948
	<u>361,145</u>	<u>191,728</u>	<u>302,167</u>	<u>132,003</u>

Deferred income is analysed as follows and relates to income which has been received in the year for activities which occur in 2011/12

	2012 £	2011 £
Credit Framework project activity 2010/11	-	2,581
ESDGC in FE project activity 2011/12	24,085	24,085
WFEP	44,049	43,077
Rental/recharges recieved for 2011/12	791	806
Lease finance agreements for future periods	77,322	87,634
Membership of North Wales Economic Forum	1,940	2,043
Certificate in Leadership and Management	-	361
Lloyds project	1,690	-
Chongqing	7,355	-
Rainova project	4,879	-
	<u>162,111</u>	<u>160,587</u>

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15 Funds

	At 01.08.11 £	Incoming resources	Resources expended	Transfer between fund	Actuarial Gain/(Loss) on pension	At 31.07.12 £
Unrestricted funds						
General Fund	406,244	1,318,047	(1,155,051)	180,559	(225,000)	524,799
Capital Asset Reserve	845,946	-	(30,296)	4,519	-	820,169
Pension Reserve	(373,000)	-	-	(191,000)	-	(564,000)
	<u>879,190</u>	<u>1,318,047</u>	<u>(1,185,347)</u>	<u>(5,922)</u>	<u>(225,000)</u>	<u>780,968</u>
Restricted funds						
Research/Project Activities	-	443,177	(449,099)	5,922	-	-
TOTAL FUNDS	<u>879,190</u>	<u>1,761,224</u>	<u>(1,634,446)</u>	<u>-</u>	<u>(225,000)</u>	<u>780,968</u>

The restricted funds received during the year were as follows

	Opening balance £	Income £	Expenditure £	Transfer from unrestricted funds £	Closing balance £
Eqavet	-	3,798	3,830	32	-
LAPS	-	74,073	74,130	57	-
Barclays	-	17,748	17,776	28	-
Rainova	-	2,466	2,466	-	-
Lloyds	-	128,010	128,010	-	-
CQFW	-	2,581	2,611	30	-
ECVET	-	691	939	248	-
International	-	14,559	14,570	11	-
FE to HE	-	70,100	70,103	3	-
NOS	-	14,771	14,771	-	-
Chongqing	-	47,645	47,645	-	-
Leonardo	-	62,396	67,909	5,513	-
Leonardo 12-14	-	4,339	4,339	-	-
	<u>-</u>	<u>443,177</u>	<u>449,099</u>	<u>5,922</u>	<u>-</u>

The EQAVET (European Quality Assessment for Vocational Education and Training) looked at how far quality systems in place for VET in colleges in Wales matched the European Quality Assurance Reference Framework - a common set of principles for quality across Europe

The Learning Area Programmes Project, (LAPS Project), Phase 3 of the project involved the development of detailed specifications for all learning areas and levels of study. Eight colleges were invited to pilot the programme-based approach in order to test the capacity of existing data hardware and software systems to handle the curriculum design and delivery principles.

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15 Funds - (Con't)

Barclays Bank have provided funding for Colleges to stage Money Week in March 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

Lloyds TSB Bank have provided funding to continue to deliver the FSA project. 2011/12 funding to deliver Teach me / Teach Other training in Financial Capability for staff, a Money for Life Challenge and small grants for embedding financial capability into the curriculum

The Credit Framework project was to devise and implement strategies to help providers prepare for the changes needed to manage an increasingly credit based system of qualifications

Colleges Wales is the national contact point for the ECVET Experts which is being led by Ecorys, the national UK agency that manages the Leonardo, Grundtvig and Transveral programmes for the Lifelong Learning Programme. This is a 2 year project exploring how to add value to mobility periods overseas through official recognition of the learning acquired overseas. The project will run from January 2012 to December 2013

This project explores the commercial opportunities for FE colleges overseas through international student recruitment and/or commercial training opportunities taking place either in Wales or overseas. This also covers the more general aspects of work related to international and European activity done on behalf of the FE sector

The progression from FE to HE project provided reports on each of three regions in Wales, along with an overview report for the whole of Wales on learner progression from level 3 provision in FEIs to level 4 and above HE provision

The National Occupational Standards project aims to develop a user guide which will provide an introduction to standards for the lifelong learning sector in Wales and demonstrate how they can be used as tools to effectively support individuals, managers and organisations

Eleven colleges in Wales have formed the Wales China FE Consortium to work collaboratively and strategically with the vocational education and training sector in Chongqing, China. Colleges Wales coordinates the work of the consortium and line manages the FE Project Office based in Chongqing. The colleges have committed to being members of the consortium for two years from August 2011 - August 2013

Leonardo - This is the first centralised Leonardo mobility application submitted by Colleges Wales on behalf of 8 colleges in Wales. The funding allowed 30 apprentices to undertake two to three week work placements in Europe

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 will allow 63 apprentices/full time vocational learners to undertake a two to three week work placement in Europe

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15 Funds - (Con't)

Analysis of Net assets between funds

	Fixed assets	Net current assets	Creditors due > 1 Yr	Total funds
	£	£	£	£
Unrestricted funds	845,038	499,930	-	1,344,968
Designated funds	-	-	-	-
Pension fund reserve	-	-	(564,000)	(564,000)
	<u>845,038</u>	<u>499,930</u>	<u>(564,000)</u>	<u>780,968</u>

16 Capital commitments and contingencies

There were no capital commitments as at 31 July 2012 (2011 nil)

17 Financial commitments

At 31 July 2012 the company had annual commitments under operating leases as follows

	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
	2012	2012	2011	2011
Expiring within one year	-	812	-	5,127
Expiring after more than one year	204,250	322	204,250	65,300
In more than five years	<u>110,000</u>	<u>-</u>	<u>110,000</u>	<u>-</u>

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.

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18 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 2012

The Employer's regular contributions to the fund for the year ending 31 July 2013 are estimated to be £0.104M. In addition, Strain on Fund Contributions may be required.

Assumptions

The latest actuarial valuation of Colleges Wales liabilities took place as at 31 March 2010. 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-12 (% pa)	31-Jul-11 (% pa)	31-Jul-10 (% pa)
Discount rate	3.9	5.3	5.3
Inflation rate - RPI	2.9	3.6	3.4
Inflation rate - CPI	1.9	2.7	2.7
Rate of increase to pensions in payment*	1.9	2.7	2.7
Rate of increase to deferred pensions	2.7	2.7	2.7
Rate of general increase in salaries	3.9	4.6	4.9

* In excess of Guaranteed Minimum Pension increases in payment where appropriate

** In addition, we have allowed for the same age related promotional salary scales as used at the actuarial valuation of the Fund as at 31 March 2010.

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.

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18 Pensions - (Cont'd)

Post retirement mortality (retirement in normal health)

Males

	31 July 12	31 July 11
Year of Birth base table	Standard SAPS Normal Health Light Amounts (S1NMA_L)	Standard SAPS Normal Health Light Amounts (S1NMA_L)
Rating to above base table* (years)	0	0
Scaling to above base table rates	100%	100%
Improvement to base table rates	CMI_2009 with a long term rate of improvement of 1 25% p a	CMI_2009 with a long term rate of improvement of 1 25% p a
Future lifetime from age 65 (current aged 65)	23 9	23 8
Future lifetime from age 65 (current aged 45)	25 6	25 6

Females

	31 July 12	31 July 11
Year of Birth base table	Standard SAPS Normal Health Light Amounts (S1NFA_L)	Standard SAPS Normal Health Light Amounts (S1NFA_L)
Rating to above base table* (years)	0	0
Scaling to above base table rates	80%	80%
Cohort improvement factors (from 2007)	CMI_2009 with a long term rate of improvement of 1 25% p a	CMI_2009 with a long term rate of improvement of 1 25% p a
Future lifetime from age 65 (current aged 65)	26 7	26 6
Future lifetime from age 65 (current aged 45)	28 7	28 6

* A rating of x years means that members of the Fund are assumed to follow the mortality pattern of the base table for an individual x years older than them. The ratings shown apply to normal health retirements.

	31 July 2012	31 July 2011
Commutation	Each member assumed to exchange 50% of the maximum amount permitted of their pre 1 April 2010 pension entitlements, for additional lump sum	Each member assumed to exchange 50% of the maximum amount permitted of their pre 1 April 2010 pension entitlements, for additional lump sum
	Each member assumed to exchange 75% of the maximum amount permitted of their post 31 March 2010 pension entitlements, or additional lump sum	Each member assumed to exchange 75% of the maximum amount permitted of their post 31 March 2010 pension entitlements, or additional lump sum

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18 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-12 (% pa)*	Asset split as at 31-Jul-12 (% pa)	Long-term rate of return expected at 31-Jul-11 (% pa)*	Asset split as at 31-Jul-11 (% pa)	Long-term rate of return expected at 31-Jul-10 (% pa)*	Asset split as at 31-Jul-10 (% pa)
Equities	7.5	72.4	7.9	75.3	8.2	72.2
Property	7.0	6.5	7.4	4.0	7.7	4.5
Government bonds	2.5	8.2	3.9	4.9	4.2	5.7
Corporate bonds	3.2	9.2	4.7	11.0	4.9	11.9
Cash	1.4	1.5	1.5	1.1	1.4	1.1
Other**	7.5	2.2	7.9	3.7	8.2	4.6
Total	6.6	100.0	7.3	100.0	7.5	100.0

* The overall expected rate of return on Fund assets is a weighted average of the individual expected rates of return on each asset class, and is shown in the bottom row of the above table.

** Other holdings include hedge funds, currency holdings, asset allocation futures and other. We have assumed this year that these will get a return in line with equities.

Colegau Cymru/ Colleges Wales employs a building block approach in determining the rate of return on Fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out within the note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the Fund at 31 July 2012.

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18 Pensions - (Cont'd)

Reconciliation of funded status to balance sheet

	Value at 31 July 2012 (£M)	Value at 31 July 2011 (£M)	Value at 31 July 2010 (£M)
Fair value of fund assets	1 409	1 287	1 108
Present value of liabilities	(1 973)	(1 660)	(1 461)
Net pension asset/(liability) before consideration of paragraph 41	(0 564)	(0 373)	(0 353)
Unrecognised asset due to limit in paragraph 41	0 000	0 000	0 000
Pension asset/(liability) recognised on the Balance Sheet*	(0 564)	(0 373)	(0 353)

* The extend of any deferred tax asset/(liability) should be discussed with your tax advisers

Analysis of Profit and Loss Charge

	Year ending 31 July 2012 (£M)	Year ending 31 July 2011 (£M)
Current service costs	0 067	0 067
Past service costs	0 000	0 000
Interest costs	0 090	0 080
Expected return on assets	(0 096)	(0 085)
Curtailment cost	0 000	0 000
Settlement cost	0 000	0 000
Expense recognised in Profit and Loss	0.061	0.062

Changes to the present value of liabilities during the year

	Year ending 31 July 2012 (£M)	Year ending 31 July 2011 (£M)
Opening present value of liabilities	1 660	1 461
Current service cost	0 067	0 067
Interest cost	0 090	0 080
Contributions by participants	0 021	0 022
Actuarial (gains)/losses on liabilities *	0 139	0 036
Net benefits paid out #	(0 004)	(0 006)
Past service cost	0 000	0 000
Net increase in liabilities from disposals and acquisitions	0 000	0 000
Curtailments	0 000	0 000
Settlements	0 000	0 000
Closing present value of liabilities	1 973	1.660

* 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

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18 Pensions - (Cont'd)

Changes to the present value of assets during the year

	Year ending 31 July 2012 (£M)	Year ending 31 July 2011 (£M)
Opening fair value of assets	1 287	1 108
Expected return on assets	0 096	0 085
Actuarial losses on assets	(0 0860)	0 010
Contribution by the employer	0 095	0 068
Contribution by participants	0 021	0 022
Net benefits paid out #	(0 004)	(0 006)
Net increase in assets from disposals and acquisitions	0 000	0 000
Settlements	0 000	0 000
Closing fair value of assets	1.409	1.287

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

Actual return on assets	Year ending 31 July 2012 (£M)	Year ending 31 July 2011 (£M)
Expected return on assets	0 096	0 085
Actuarial gain on assets	(0 086)	0 010
Actual return on assets	0 01	0 095

Analysis of amount recognised in STRGL

	Year ending 31 July 2012 (£M)	Year ending 31 July 2011 (£M)
Total actuarial (losses)	(0 225)	(0 026)
Change in irrecoverable surplus, effect of limit in paragraph 41	0 000	0 000
Total (loss) in STRGL	(0.225)	(0.026)

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18 Pensions - (Cont'd)

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

	Year ending 31 July 2012 (£M)	Year ending 31 July 2011 (£M)
Fair value of assets	1 409	1 287
Present value of liabilities	(1 973)	(1 660)
(Deficit)	(0.564)	(0 373)

* 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 2012 (£M)	Year ending 31 July 2011 (£M)
Experience gains on assets	(0 086)	0 010
Percentage of assets	-6 1%	0 8%
Experience gains on liabilities#	(0 001)	0 009
Percentage of the present value of the liability	-0 1%	0 5%

* 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

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19 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

Director	College	Relationship
Derek Lloyd	Pembrokeshire College	Chair
Nick Bennett	Gorseinon College	Principal
David Jones	Deeside College	Principal
John Bellis (resigned 2 April 2012)	Coleg Llandrillo*	Chair
Mark Jones	Bridgend College	Principal
Judith Evans	Coleg Morgannwg	Principal
Dafydd Evans (resigned 2 April 2012)	Coleg Menai*	Principal
Jim Bennett	Coleg Gwent	Principal
Simon Pirotte (appointed 1 September 2011)	Coleg Powys	Principal
Glyn Jones OBE (appointed 30 May 2012)	Grŵp Llandrillo Menai	Principal
Jon Perry (appointed 3 July 2012)	Coleg Harlech WEA (N)	Chair
David Mason (appointed 1 September 2011 and resigned 13 February 2013)	Merthyr Tydfil College Ltd	Chair

*Grŵp Llandrillo Menai was formed from the merger between Coleg Menai and Coleg Llandrillo in April 2012

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

Director	College	Relationship
Derek Lloyd	Pembrokeshire College	Chair of Governors
David Jones	Deeside College	Principal
Mike James (appointed 1 September 2011)	Cardiff and Vale College	Principal
Mark Jones	Bridgend College	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

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19 Related party transactions - (Con't)

Income invoiced to Colleges during the year

	Subs- criptions	Chongqing	Networks	Staff Devmt	ALIS	Other	Total
	£	£	£	£	£	£	£
Bridgend College	34,070	5,000	119	1,444	-	372	41,005
Cardiff and Vale College	57,350	5,000	-	361	1,980	206	64,897
Coleg Ceredigion	7,015	-	119	-	-	150	7,284
Coleg Gwent	69,205	5,000	119	361	-	207	74,892
Coleg Harlech	4,105	5,000	119	-	-	175	9,399
Coleg Menai	27,150	-	-	722	1,062	1,029	29,963
Coleg Morgannwg	34,070	5,000	-	-	499	339	39,908
Coleg Powys	15,935	5,000	-	-	-	339	21,274
Coleg Sir Gâr	34,070	-	-	2,888	1,698	150	38,806
Deeside College	41,685	5,000	-	-	753	1,302	48,740
Gower College Swansea	54,230	5,000	119	-	3,357	395	63,101
Coleg Llandrillo	57,350	5,000	119	361	-	1,242	64,072
Merthyr Tydfil College Ltd	9,950	-	-	-	-	150	10,100
Neath Port Talbot College	41,685	-	-	3,249	2,057	215	47,206
Pembrokeshire College	22,500	-	119	-	-	330	22,949
St David's 6th Form College	8,465	-	-	-	2,363	150	10,978
WEA South	4,105	-	119	-	-	124	4,348
Yale College	36,325	5,000	119	-	1,614	1,160	44,218
YMCA	2,485	-	-	-	-	-	2,485
Ystrad Mynach College	27,150	5,000	119	-	1,751	386	34,406
Total	588,900	55,000	1,190	9,386	17,134	8,421	680,031

Payments to Colleges during the year

	Catering/ Accom	Chongqing	Training	Other	Projects	Bilingual	Total
	£	£	£	£	£	£	£
Bridgend College	-	-	-	-	17,229	-	17,229
Cardiff and Vale College	-	-	-	-	4,000	-	4,000
Coleg Ceredigion	-	-	-	-	3,850	-	3,850
Coleg Gwent	-	-	-	-	2,417	-	2,417
Coleg Morgannwg	240	-	-	-	5,900	-	6,140
Coleg Powys	7,991	-	-	603	-	-	8,594
Coleg Sir Gâr	-	-	-	-	20,000	-	20,000
Deeside College	27	-	-	-	6,436	-	6,463
Gower College Swansea	-	-	-	-	8,381	-	8,381
Coleg Llandrillo	-	-	-	-	21,198	(9,007)	12,191
Merthyr Tydfil College Ltd	-	-	-	-	200	-	200
Neath Port Talbot College	-	-	-	-	5,287	-	5,287
St David's 6th Form College	-	-	-	-	1,500	-	1,500
Yale College	-	-	-	-	7,370	-	7,370
Ystrad Mynach College	-	3,903	-	-	2,374	-	6,277
	8,258	3,903	-	603	106,142	(9,007)	109,899

Grŵp Llandrillo Menai was formed from the merger between Coleg Menai and Coleg Llandrillo in April 2012

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19 Related party transactions - (Con't)

The following amounts were receivable from Colleges at 31 July 2012 .

	£
Barry College	98
Coleg Gwent	(206)
Coleg Harlech	5,294
Coleg Morgannwg	65
Coleg Powys	65
Gower College Swansea	65
Merthyr Tydfil College Ltd	150
Neath Port Talbot College	65
St David's 6th Form College	406
	<hr/>
Total	6,002
	<hr/>

The following amounts were payable to Colleges at 31 July 2012 :

	£
Coleg Morgannwg	5,694
Coleg Powys	87
Deeside College	6,436
	<hr/>
Total	12,217
	<hr/>