



Colleges Wales / Colegau Cymru Limited

Consolidated Financial Statements

for the Year Ended 31 July 2013

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

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COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
FOR THE YEAR ENDED 31 JULY 2013

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Legal and Administrative Information

Trustees

The trustees who held office during the year, unless otherwise stated, were as follows

Mark Jones (Chairman)
David Jones
Simon Pirotte
Jim Bennett
Judith Evans
Glyn Jones OBE
Derek Lloyd
Nick Bennett (resigned 31 May 2013)
David Mason (resigned 13 February 2013)
Jon Parry (resigned 10 January 2014)

Chief Executive

John Graystone

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

Charity Name	Colleges Wales / Colegau Cymru Limited
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Company Number:	2832103
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Registered Charity Number	1060182
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Registered Office and operational address	Unit 7 Cae Gwyrdd Greenmeadow Springs Tongwynlais Cardiff CF15 7AB
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Auditors	Bevan and Buckland Langdon House Langdon Road Swansea Waterfront SA1 8QY
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Solicitors	Eversheds 1 Callaghan Square Cardiff CF10 5BT
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Bankers	Barclays Bank plc PO Box 69 Cardiff CF1 1SG
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Report of the Trustees and Directors for the year ended 31 July 2013

The trustees, who are also directors of the charity for the purposes of the Companies Act, present their report (which incorporates the directors' report) and the audited financial statements of Colleges Wales / Colegau Cymru Limited and its subsidiary (fforwm Services Limited) for the year ended 31 July 2013

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

Governance

The charity is an incorporated legal entity limited by guarantee, the business of which is governed by its Memorandum and Articles of Association. It registered as a charity with the Charity Commission on 16 January 1997. The trustees who served on the board during the year, and up to the date of this report, are listed on page 2.

Appointment of Trustees

The board comprises of college principals and chairs of corporations, appointed by member colleges. Under the requirements of the Memorandum and Articles of Association, each trustee 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. All appointments are ratified by member colleges at the Annual General Meeting. All 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.

During 2012/13 the board considered its future structure in light of the number of colleges reducing in Wales in response to the Welsh Government's Transformation Agenda. At its Annual General Meeting on 21 May 2013 members approved a variance to its Articles of Association by Special Resolution for a transitional board to operate for a 12 month period until the future structure and direction of ColegauCymru were determined.

Trustee Induction

New trustees receive information on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, financial performance, relevant policies and procedures and future plans and objectives along with Charity Commission information and publications. The trustees are also given opportunities to meet with key employees and are encouraged to attend training events where relevant.

Organisation

ColegauCymru is a national educational charity that represents all of Wales' further education (FE) colleges and designated FE institutions. ColegauCymru operates on a self-funding basis through subscriptions from its member further education (FE) colleges and institutions. All 21 FE colleges/institutions in Wales are in membership. Additional income is generated by organising professional training events and conferences, conducting research and coordinating development projects related to the further 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

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accredited as an Investor in People

Risk Management

The trustees have overall responsibility for ensuring that the charity has an appropriate system of controls, financial and otherwise. They are also responsible for keeping adequate accounting records which show and explain the charity's transactions and which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities and providing reasonable assurance that

- ❶ the charity is operating efficiently and effectively
- ❷ its assets are safeguarded against unauthorised use or disposition
- ❸ proper records are maintained and financial information used within the charity or for publication is reliable
- ❹ the charity complies with relevant laws and regulations

The systems of internal control are designed to provide reasonable, assurance against material misstatement or loss. They include

- ❶ a strategic plan and an annual budget approved by the trustees
- ❷ regular consideration by the trustees of financial results, variance from budgets and non-financial performance
- ❸ delegation of authority and segregation of duties
- ❹ identification and management of risks

The trustees have reviewed the formal risk management process. This process is linked to the strategic plan and reviewed in line with annual planning processes. Systems have been developed to monitor and control these risks

- ❶ identifying the types of risk ColegauCymru faces
- ❷ prioritising them in terms of potential impact and likelihood
- ❸ identifying means of mitigating the risks

These risks and controls are reviewed by the trustees at bi-annual meetings of 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

- ❶ 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
- ❷ make representations on behalf of its members to persons concerned with education and its funding in Wales to improve opportunities for learners

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.

Community Service and Access

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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 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 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 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

The company was created in 1993 as the single voice to promote the interests of colleges in Wales' post-16 education sector. ColegauCymru has built on its representational role whilst developing its range of services for member colleges. ColegauCymru's services include networks, professional training events and conferences, research, consultancy and the sharing of good practice. It also works closely with a wide range of partners in post-16 education and training. 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 for the ultimate benefit of the learner.

ColegauCymru has supported colleges as they respond to the economic downturn and help reinvigorate the economy of Wales by taking forward various Welsh Government employment and training initiatives. In Wales around 125,000 people are unemployed which includes almost 50,000 young people aged 16 – 24. FE colleges play a crucial role in tackling the problem of those not in education, employment and training (NEET) and in equipping the working population with appropriate skills. ColegauCymru continues to emphasise to the Welsh Government the key twin roles of the colleges in (i) promoting social justice through tackling deprivation and providing a second chance for learners (ii) supporting a buoyant economy by seeking to raise skills levels to meet the needs of businesses in Wales.

During the 2011/12 academic year colleges delivered around 80% of post-16 qualifications in Wales outside of higher education (229,615 enrolments)¹. Two-thirds of 16-19 year old learners are at FE college. Most enrolments (76%) at FE colleges are for part-time studies. Most learners (71%) are over the age of 19 with 27% aged between 16-19 years.

Representational role

ColegauCymru has been participating in a number of Welsh Government convened groups and forums that have been established to re-develop policies affecting post-16 learners in Wales including the Welsh Baccalaureate Qualification and part-time and vocational higher education courses. Other groups have considered the impact of the Review of 14-19 Qualifications and the new planning and funding system in Wales.

ColegauCymru exists to represent and promote further education. A key focus during the year was responding, with the support of member colleges, to

- the Registration of the Teaching Workforce in Wales (Oct 2012)

¹ SDR 48/2013 *Further Education, Work-based Learning and Community Learning in Wales 2011/12*, Welsh Government, 26 March 2013

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- Review of the Future Delivery of Education Services in Wales (March 2013)
- Proposed changes to Estyn inspection cycle and timing for post inspection action plans (May 2013)
- Part-time HE draft action plan (June 2013)
- Higher Education (Wales) Bill (July 2013)
- Essential Skills in the revised WBQ Core addressing wider skills (July 2013)
- Hourly paid and fixed term contracts (July 2013)

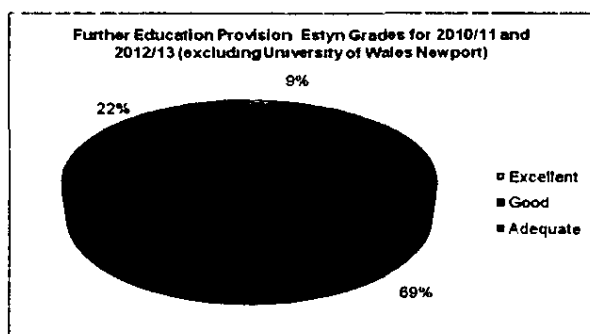
In addition, ColegauCymru gave oral and written evidence to

- The Further and Higher Education (Governance and Information) Bill – submitted evidence in May and June 2013 to the Legislative Committee
- Youth Entrepreneurship inquiry
- Review of Qualifications Wales (throughout 2012 and in August 2012 a substantial response was drawn up to the consultation paper)

In September ColegauCymru met with the National Assembly for Wales with regards to the draft budget 2013-14 and subsequently submitted written evidence in October 2012 and met the Education Minister in July 2013. Evidence by ColegauCymru has been cited in Assembly debates, including in June 2013 one on Apprenticeships and another on support for autism in post-16 education.

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. ColegauCymru's Improving Quality Group works closely with Estyn and the Welsh Government's Department for Education and Skills (DfES) on its national quality effectiveness framework.



Since September 2010, under Estyn's Common Inspection Framework, no FE college/institution has been deemed 'unsatisfactory'. Most provision was judged to be at least 'good', with 'sector leading practice' being identified. In 2013, Mid and North Wales Skills Consortium (now part of Coleg Cambria) were awarded an 'excellent' judgement for both 'Teaching' and 'Learning Experiences' by Estyn.

In order to support colleges to achieve excellence in teaching and learning, ColegauCymru established in September 2012 a Teaching and Learning network. In addition it has hosted two major conferences in (2012, 2013) for the wider post-16 education and training sector on teaching and learning, bringing in leading authors and experts in innovative pedagogy and senior managers from the most successful colleges in England and Wales. Delegates came from secondary schools, work-based training providers, Welsh for Adult Centres, and colleges in Wales and England.

As part of the Quality Improvement Fund, the Welsh Government has allocated funding to support teachers in trying new teaching methods and techniques which aim to improve the quality of teaching and learning in further education. The resources from the supported experiment projects will be shared at a national dissemination conference organised by ColegauCymru early in 2014.

ColegauCymru continues to support and take forward the National Bilingual Strategy for FE in Wales. ColegauCymru launched a good practice handbook at the Eisteddfod 2012 "Examples of good practice in encouraging FE students to continue with their education through the medium of Welsh" and is also building up a web-based "translation memory" toolkit that is available to all colleges in Wales. ColegauCymru submitted a response to the Draft Standards on the Welsh Language. Work has commenced throughout the period on

formalising a Memorandum of Understanding between ColegauCymru and Coleg Cymraeg Cenedlaethol. 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.

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A new development this year was the setting up of Welsh medium networks in specific curriculum areas

Continuous Professional Development Training

- ❶ 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.
- ❷ ColegauCymru organised a series of peer assessor training days in partnership with Estyn Inspectors in March 2013. The events provided an insight into the role of Peer Inspectors and focused on classroom observations under the current Common Inspection Framework.
- ❸ ColegauCymru has successfully developed and delivered postgraduate level training programmes with partner universities. The Postgraduate Certificate (PgCert) in Leadership and Management and the MA Leadership and Management (FE) have continued to enroll managers and aspiring managers.
- ❹ ColegauCymru facilitates 35 curriculum and functional managers' networks which meet 2 – 3 times a year. A number of the networks are attended by private training providers, adult community learning providers and higher education institutions. Attendance at the network meetings is free.
- ❺ Over 150 people attended ColegauCymru's 20th Annual Conference and Awards Ceremony in May 2013. The Annual Awards recognised outstanding achievement in the breadth of provision offered by FE institutions and acknowledged collaboration between institutions and other organisations.

Research and Development Projects

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

- ❶ In 2011, the Welsh Government 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. ColegauCymru has been working with the Welsh Government on the development and dissemination of information of the new Planning and Funding model. Significant developments have included the production of Programme Booklets and Guidance Documents that have been made available on ColegauCymru's website. Two colleges have been piloting the programme model. The role of the networks and the scrutiny process is now being developed. The planning and funding of part-time provision is also being reviewed.
- ❷ The European Commission's Lifelong Learning Programme - Leonardo da Vinci. ColegauCymru secured European funding to organise 2 - 3 week work placements in Europe for apprentices and vocational learners from the FE sector in Wales. ColegauCymru has worked with host partners in Europe and with colleges in Wales to source work placements for 138 participants over 3 separate applications for funding since the initial application in 2011.
- ❸ Leonardo 2012/14. ColegauCymru has submitted its second centralised application on behalf of 11 colleges in Wales. The funding will allow 63 apprentices and vocational learners to undertake work placements in Europe.
- ❹ Leonardo 2013/15. ColegauCymru submitted its third centralised application for funding on behalf of 7 colleges in Wales. The funding will allow 47 vocational learners to undertake a 2 - 3 week work placement in Europe.
- ❺ Rainova. ColegauCymru 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 runs from January 2012 to December 2014.

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- ❶ **ECVET Experts Project** ColegauCymru is the national contact point (NCP) for the ECVET Experts which is being led by Ecorys, the National UK Agency that manages the Leonardo, Grundtvig and Transversal programmes for the EU 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 commenced in March 2012 and will finish at the end of March 2014 – the finish date has been extended from December 2013 because of an under spend by the National Agency in some areas of the project.
- ❷ **EU Initiatives in Vocational Education and Training (VET)** ColegauCymru has become the national contact point for the European Qualifications Framework (EQF), European Quality Assurance in Vocational Education and Training (EQAVET) and the Validation of non-formal and Informal Learning (VIL). This project runs for three years until March 2016.
- ❸ **Money for Life Financial Capability Project** This is Lloyds Banking Group's £4 million financial capability and personal money skills programme, targeted at the FE and adults and community learning (ACL) sectors. For the last three years the project has been led by ColegauCymru and has been delivered in partnership with NTfW. The project has achieved the following:
 - ❶ Colleges have received £50,000 of direct funding
 - ❷ 20,140 students have engaged in financial wellbeing activities
 - ❸ 63 teams of young people entered the Money for Life Challenge and a Wales Final event was held at Cardiff City Stadium in April 2013
 - ❹ 10 fully funded courses were held across Wales recruiting from FE and WBL staff, volunteers and community groups
 - ❺ Over 300 practitioners had been trained by the end of 2013
- ❹ **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 colleges participated in the project again this year and received grants totalling £27,000.
- ❺ **JISC Advance** has funded an FE and Skills project on college's future use of 'iTunes U'. The project is being led by ColegauCymru and will focus on a centralised and cross Wales shared delivery of CPD and ITT resources.

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CollegesWales (UK) International

Eleven colleges in Wales formed the Wales China FE Consortium in August 2011 to work collaboratively with the vocational education and training sector in Chongqing, China. The 11 colleges committed to the consortium for a period of two years. In August 2013, all of the FE Colleges in Wales became members of the consortium (apart from Merthyr Tydfil College)

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). Savings amounted to over £859,671 during 2012/13 based on a rechargeable cost base of £78k, equating to a saving of £11 for every £1 spent by members. The Board decided on 7 January 2014 to consider alternative structures for the WFEPC. A number of options were put forward for consideration.

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 on VQ Day, which in 2013, took place at Coleg Morgannwg's Nantgarw Campus.

In addition, in an effort to further improve understanding of vocational education across Wales, ColegauCymru has worked collaboratively with NTfW, the Welsh Government and HEW, through the Skills 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, 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.

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.

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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 involved in managing this activity and helping to support new opportunities to increase participation along with the development of ColegauCymru's strategy *Going for Gold* which aims to increase participation and volunteering opportunities in FE.

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 Welsh Government's Transformation agenda. During the period, six further college mergers took place:

- ❑ Coleg Morgannwg and Ystrad Mynach College dissolved in August 2013 with the establishment of Coleg y Cymoedd
- ❑ Coleg Cambria was formed from the merger between Yale College Wrexham and Deeside College in August 2013
- ❑ NPTC Group was established from the merger between Neath Port Talbot College and Coleg Powys in August 2013
- ❑ Coleg Sir Gâr merged with University of Wales Trinity St David's in August 2013
- ❑ Coleg Ceredigion merged with University of Wales Trinity St David's in October 2013
- ❑ WEA South and Coleg Harlech/WEAN merged in January 2014 to form WEA Cymru

Since January 2014, there are 15 FE colleges in Wales - 10 FE colleges, 2 FE institutions and 3 colleges wholly owned by universities, compared with 25, five years ago. Colleges vary in size from £1.1m turnover to around £76m.

Future Plans and Activities

Following the passage of the Further and Higher Education Act 2014 and various commencement orders and statutory instruments, colleges will have increased freedoms and there will be a new working relationship with Welsh Government. The negotiations over the common contract have been completed. The next few years are likely to see further funding restraints on colleges as Government funding is reduced. The new Programmes for Learning will influence funding and the way in which curriculum areas are taught in colleges. They will also impact on the work of ColegauCymru's curriculum networks.

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

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Financial Review

Total income for the group fell to £1,627,390 a decrease of £133,834. The reduction in income can principally be attributed to the reduction in rentals receivable under the lease and leaseback arrangements undertaken by Fforwm Services Limited and a reduction in grants received during the year. The performance of fforwm Services Limited is commented on separately on page 13.

The group (the company and its trading subsidiary fforwm Services Limited) made a surplus for the year on ordinary activities before taxation of £197,180 after actuarial gain on the defined benefit scheme of £117,000 (2012 deficit of £225,000).

Principal Funding Sources

ColegauCymru received £608,035 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 £354,747 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 £977,143 (2012 £780,742). Of these assets £813,090 is held in fixed assets, these include the purchased office premises and included in liabilities is a pension liability of £409,000 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 £409,000 for the year ended 31 July 2013
- 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 for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally 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.

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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 post-16 education sector, property and equipment leasing and the purchasing consortium for FE colleges.

The company made a profit for the year on ordinary activities of £799 (2012 £229 surplus) after making a deed of covenant payment of £26,675 (2012 £14,428) to Colleges Wales / Colegau Cymru Ltd.

During the year the company's turnover decreased to £545,419 (2012 £573,738). This decrease can be attributed to a reduction in the use of leasing arrangements by participating educational institutions and consequently, a loss of income to the company. One property lease was terminated or completed during the year and a further three equipment leases and two property leases were terminated or completed during the prior year. This has been partly offset in our year by increased contract income of £40,788.

Following the decision released on the Halifax case and the subsequent decision on Weald Leasing it is likely that the remaining equipment leasing arrangements with colleges will be terminated. The decline of income through the leasing arrangements will substantially 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 Board decided on 7 January 2014 to consider alternative structures for the Welsh FE Purchasing Consortium (WFEPC). A number of options were put forward for consideration.

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

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
FOR THE YEAR ENDED 31 JULY 2013

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 and 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
Mark Jones

Date 14th March 2014

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
FOR THE YEAR ENDED 31 JULY 2013

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 2013

We have audited the financial statements of Colleges Wales / Colegau Cymru Limited and its subsidiary company for the year ended 31 July 2013, on pages 18 to 47. 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 2013 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 2013

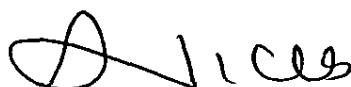
OPINION ON MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

17/3/2014

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 2013

	Note	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
Incoming Resources					
Incoming resources from generated funds					
Voluntary income					
Grants and Subscriptions	3	608,035	-	608,035	597,251
Activities for generating funds :					
Commercial trading operations	6	545,419	-	545,419	573,738
Investment Income	4	8,739	-	8,739	13,047
		<u>1,162,193</u>	<u>-</u>	<u>1,162,193</u>	<u>1,184,036</u>
Incoming Resources from Charitable Activities:					
Advancement of education for the benefit of the general public	5	110,450	354,747	465,197	577,188
		<u>1,272,643</u>	<u>354,747</u>	<u>1,627,390</u>	<u>1,761,224</u>
Total incoming resources					
Resources Expended					
Cost of Generating funds					
Commercial trading operations	6	517,989	-	517,989	559,121
Charitable Activities					
Charitable expenditure	7	606,804	368,399	975,203	1,016,151
Governance costs	7	54,018	-	54,018	59,174
		<u>1,178,811</u>	<u>368,399</u>	<u>1,547,210</u>	<u>1,634,446</u>
Total Resources Expended					
Net Incoming / (Outgoing) Resources before taxation					
		<u>93,832</u>	<u>(13,652)</u>	<u>80,180</u>	<u>126,778</u>
Taxation		779	-	779	226
		<u>93,053</u>	<u>(13,652)</u>	<u>79,401</u>	<u>126,552</u>
Net incoming / (Outgoing) Resources after taxation					
Transfer to restricted funds		(13,652)	13,652	-	-
Actuarial gain / (loss) on defined benefit scheme	19	117,000	-	117,000	(225,000)
		<u>196,401</u>	<u>-</u>	<u>196,401</u>	<u>(98,448)</u>
Net movement in funds in year					
Reconciliation of Funds:					
Total funds brought forward	16	<u>780,742</u>	<u>-</u>	<u>780,742</u>	<u>879,190</u>
Total Funds Carried Forward	16	<u>977,143</u>	<u>-</u>	<u>977,143</u>	<u>780,742</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 2013

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 £79,380 (2012 £126,533).

The notes on pages 24 to 47 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 2013

	Note	2013 £	£	2012 £	£
FIXED ASSETS					
Tangible assets	11		813,090		845,038
CURRENT ASSETS					
Debtors	14	322,462		233,134	
Cash at bank and in hand		<u>638,228</u>		<u>627,715</u>	
		960,690		860,849	
CREDITORS. amounts falling due within one year	15	<u>(387,637)</u>		<u>(361,145)</u>	
NET CURRENT ASSETS			573,053		499,704
Total assets less current liabilities			<u>1,386,143</u>		<u>1,344,742</u>
Defined benefit pension scheme liability			(409,000)		(564,000)
TOTAL ASSETS			<u>977,143</u>		<u>780,742</u>
FUNDS					
Unrestricted funds	16		977,143		780,742
Restricted funds	16		-		-
			<u>977,143</u>		<u>780,742</u>

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 14th March 2014 and signed on

Mark Jones

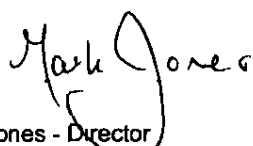
M Jones - Director

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
COMPANY NO 2832103
COMPANY BALANCE SHEET
FOR THE YEAR ENDED 31 JULY 2013

		2013		2012	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	12		794,095		820,169
Investments	13		<u>100</u>		<u>100</u>
			794,195		820,269
CURRENT ASSETS					
Debtors	14	220,318		128,994	
Cash at bank and in hand		<u>584,506</u>		<u>570,987</u>	
		804,824		699,981	
CREDITORS: amounts falling due within one year					
Creditors	15	<u>(229,117)</u>		<u>(191,728)</u>	
NET CURRENT ASSETS			575,707		508,253
Total assets less current liabilities			<u>1,369,902</u>		<u>1,328,522</u>
Defined benefit pension scheme liability	19		(409,000)		(564,000)
TOTAL ASSETS			<u>960,902</u>		<u>764,522</u>
Represented by:					
FUNDS					
Unrestricted funds	16		960,902		764,522
Restricted funds	16		<u>-</u>		<u>-</u>
			<u>960,902</u>		<u>764,522</u>

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 14th March 2014 and signed on their behalf by


M Jones - Director

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2013

	Note	2013	2012
		£	£
Net cash inflow from operating activities	1	13,831	186,338
Returns on investment and servicing of finance		712	1,008
Interest received		779	226
Taxation		(4,809)	(7,358)
Capital expenditure		(3,318)	(6,124)
Cash inflow before management of liquid resources and financing		10,513	179,988
Increase in cash in the year		10,513	179,988

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2013

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

	2013 £	2012 £
Net incoming resources for the year	80,180	126,779
Depreciation charge	36,757	37,720
(Increase) in debtors	(89,328)	(1,905)
Increase in creditors	24,934	58,526
Investment income	(712)	(1,008)
Current service cost less contributions to the pension scheme	(22,000)	(28,000)
Other finance income from the pension scheme	(16,000)	(6,000)
Net cash inflow from operating activities	<u>13,831</u>	<u>186,112</u>

2 Analysis of changes in net fund

	At 31 July 2012 £	Cash Flows £	At 31 July 2013 £
Cash at bank and in hand	627,715	10,513	<u>638,228</u>

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2013

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.

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

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2013

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 Chanty 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 chanty. 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 Chanty 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 chanty.

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. Chantable expenditure comprises those costs incurred by the chanty 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 chanty and include the audit fee and costs linked to the strategic management of the chanty. 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.

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2013

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 2013 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 2013

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 -

	2013	2012
Gross Income	<u>1,112,497</u>	<u>1,201,874</u>
Surplus	<u>83,276</u>	<u>126,533</u>

3 Voluntary Income

	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
Annual subscriptions	603,625	-	603,625	588,900
Welsh fora	1,940	-	1,940	4,759
Misc				
Recharges to Tenants	2,470	-	2,470	3,470
Catering	-	-	-	122
	<u>608,035</u>	<u>-</u>	<u>608,035</u>	<u>597,251</u>

	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
4 Investment Income				
Colleges Wales / Colegau Cymru	668	-	668	968
Fforwm Services Limited	44	-	44	40
Rental Income	8,027	-	8,027	12,039
	<u>8,739</u>	<u>-</u>	<u>8,739</u>	<u>13,047</u>

5 Incoming Resources from Charitable Activities

	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
Incoming Resources from				
Training Activities	82,266	-	82,266	96,030
Representational Activities	28,184	-	28,184	37,981
Research/Project Activities	-	354,747	354,747	443,177
Total	<u>110,450</u>	<u>354,747</u>	<u>465,197</u>	<u>577,188</u>

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2013

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, the work of the Welsh Further Education Purchasing Consortium (WFEPIC) and development courses and property and equipment leasing. The net assets of the subsidiary are £16,340 (2012: £16,320).

The trading results are shown below

	2013 £	2012 £
Turnover	545,419	573,738
Cost of sales	(476,893)	(517,700)
Gross profit	<u>68,526</u>	<u>56,038</u>
Administrative expenses	(41,096)	(41,421)
Operating profit	<u>27,430</u>	<u>14,617</u>
Interest receivable and similar income	44	40
Deed of covenant	(26,675)	(14,428)
Profit on ordinary activities	<u>799</u>	<u>229</u>
Tax on profit on ordinary activities	(779)	(226)
Profit for the financial year	<u><u>20</u></u>	<u><u>3</u></u>

COLLEGES WALES / COLEGAU CYMRU LIMITED

(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2013

7 Resources expended - charitable activities

	Basis of Allocation	Representation & Support	Training	Research & Dev, Inc Projects	Governance	Total 2013 £	Total 2012 £
Costs Directly Allocated to Activities							
Educational Advancement	Direct	140,999	78,983	339,241	-	559,223	627,740
Staff costs	Direct	244,224	22,521	52,890	41,406	361,041	341,799
Travel	Direct	1,996	-	-	3,171	5,167	8,293
Support costs Allocated to Activities							
Accommodation	Staff time	8,788	701	1,647	1,289	12,425	11,439
Administration & Bank Charges	Staff time	22,469	1,679	3,942	3,086	31,176	27,092
Fees and charges	Staff time	14,022	556	1,305	1,022	16,905	12,014
Directors Liability Insurance	Staff time	-	-	-	922	922	1,094
Publicity and other costs	Staff time	9,120	3,260	18	14	12,412	15,574
Depreciation	Staff time	21,182	1,690	3,970	3,108	29,950	30,296
Total Resources Expended		462,800	109,390	403,013	54,018	1,029,221	1,075,341

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2013

8 Directors and employees

No director received any remuneration for their services to the group in 2013 or 2012

3 directors received a total of £263 in travelling and subsistence expenses in 2013 (2012 - 4 received £2,905)

One employee received emoluments in excess of £90,000 in 2013 (2012 - 1)

The average number of directors during the year was 10 (2012 10) The average number of persons employed by the company during the year was 13 (2012 14)

Staff costs for the above consisted of :

	2013	2012
	£	£
Wages and salaries	297,219	280,066
Pension costs	99,791	102,505
Social security costs	42,768	40,406
	<u>439,778</u>	<u>422,977</u>

Emoluments of higher paid employees

	2013	2012
£90,000 to £100,000	1	1

The Pensions Contributions relating to the highest paid employee amount to £31,046 (2012 £31,0046)

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

	2013	2012
Representation & Support	7	7
Training	2	2
Research & Development, inc Projects	1	1
Governance	1	1
WFEPC	2	3
	<u>13</u>	<u>14</u>

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2013

9 Net incoming / (outgoing) resources

	2013	2012
	£	£
Net incoming / (outgoing) resources are stated after charging / (crediting) the following		
Depreciation on owned tangible fixed assets	36,757	37,721
Operating lease rental - land and buildings	314,251	314,251
Operating lease rental - equipment	322	10,109
Auditors' remuneration - group	5,650	4,600
- company	3,500	3,500
- non audit	3,570	3,719
Legal and professional fees	<u>2,779</u>	<u>29</u>

10 Analysis of FRS 17 Costs charged to the Statement of Financial Activities

	2013	2012
	£	£
Current service charge	75,000	67,000
Past service charge	<u>4,000</u>	<u>-</u>
Total operating charge to Statement of Financial Activities	<u>79,000</u>	<u>67,000</u>
	2013	2012
	£	£
Expected return on assets	94,000	96,000
Interest on pension scheme liabilities	<u>(78,000)</u>	<u>(90,000)</u>
Interest credited to Statement of Financial Activities	<u>16,000</u>	<u>6,000</u>

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2013

11 Tangible fixed assets - Consolidated

Group	Building £	Office equipment £	Fixtures & Fittings £	Computer equipment £	Total £
Cost					
At 1 August 2012	843,650	48,019	83,355	21,804	996,828
Additions at cost	-	2,144	-	2,665	4,809
Disposals at cost	-	-	-	-	-
At 31 July 2013	843,650	50,163	83,355	24,469	1,001,637
Depreciation					
At 1 August 2012	67,492	35,092	32,955	16,251	151,790
Charge for the year	16,873	7,313	8,336	4,235	36,757
Disposals	-	-	-	-	-
At 31 July 2013	84,365	42,405	41,291	20,486	188,547
Net book value					
At 31 July 2013	759,285	7,758	42,064	3,983	813,090
At 31 July 2012	776,158	12,927	50,400	5,553	845,038

12 Tangible fixed assets - Company

Company	Building £	Office equipment £	Fixtures & Fittings £	Computer equipment £	Total £
Cost					
At 1 August 2012	843,650	29,059	52,335	13,178	938,222
Additions at cost	-	1,480	-	2,396	3,876
Disposals at cost	-	-	-	-	-
At 31 July 2013	843,650	30,539	52,335	15,574	942,098
Depreciation					
At 1 August 2012	67,492	20,215	20,634	9,712	118,053
Charge for the year	16,873	4,920	5,234	2,923	29,950
Disposals	-	-	-	-	-
At 31 July 2013	84,365	25,135	25,868	12,635	148,003
Net book value					
At 31 July 2013	759,285	5,404	26,467	2,939	794,095
At 31 July 2012	776,158	8,844	31,701	3,466	820,169

COLLEGES WALES / COLEGAU CYMRU LIMITED
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13 Fixed asset investments

	Company 2013 £	Company 2012 £
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

14 Debtors	Group 2013 £	Company 2013 £	Group 2012 £	Company 2012 £
Amounts falling due within one year				
Trade debtors	226,469	106,149	66,605	7,823
Accrued income	38,589	24,833	81,011	67,825
Amounts due from subsidiary undertaking	-	81,392	-	43,708
Other taxation and social security	2,362	-	16,509	-
Prepayments	55,042	7,944	69,009	9,638
	<u>322,462</u>	<u>220,318</u>	<u>233,134</u>	<u>128,994</u>

15 Creditors : amounts falling due within one year

	Group 2013 £	Company 2013 £	Group 2012 £	Company 2012 £
Trade creditors	64,357	61,168	47,548	31,777
Accruals	82,564	74,038	130,888	125,974
Deferred income	220,146	75,540	162,111	16,655
Corporation tax	779	-	226	-
Other taxation and social security	19,791	18,372	20,372	17,322
	<u>387,637</u>	<u>229,118</u>	<u>361,145</u>	<u>191,728</u>

Deferred income is analysed as follows and relates to income which has been received in the year for activities which occur in 2012/13

	2013 £	2012 £
iTunes U	6,157	-
ESDGC in FE project activity 2011/12	24,085	24,085
WFEP	52,537	44,049
Rental/recharges recieved for 2011/12	-	791
Lease finance agreements for future periods	64,594	77,322
QIF Contract Income	2,905	-
CPD Training Event	486	-
Membership of North Wales Economic Forum	-	1,940
VETS Project	20,000	-
Lloyds project	-	1,690
Chongqing	12,671	7,355
Leonardo 13-15	36,712	-
Rainova project	-	4,879
	<u>220,146</u>	<u>162,111</u>

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2013

16 Funds - CONSOLIDATED

	At 01.08.12 £	Incoming resources	Resources expended	Transfer between fund	Actuarial Gain/(Loss) on pension	At 31.07.13 £
Unrestricted funds						
General Fund	524,573	1,272,643	(1,149,640)	(172,528)	117,000	592,048
Capital Asset Reserve	820,169	-	(29,950)	3,876	-	794,095
Pension Reserve	(564,000)	-	-	155,000	-	(409,000)
	<u>780,742</u>	<u>1,272,643</u>	<u>(1,179,590)</u>	<u>(13,652)</u>	<u>117,000</u>	<u>977,143</u>
Restricted funds						
Research/Project Activities	-	354,747	(368,399)	13,652	-	-
TOTAL FUNDS	<u>780,742</u>	<u>1,627,390</u>	<u>(1,547,989)</u>	<u>-</u>	<u>117,000</u>	<u>977,143</u>

Funds - COMPANY

	At 01.08.12 £	Incoming resources	Resources expended	Transfer between fund	Actuarial Gain/(Loss) on pension	At 31.07.13 £
Unrestricted funds						
General Fund	508,353	753,854 00	(630,872)	(172,528)	117,000	575,807
Capital Asset Reserve	820,169	-	(29,950)	3,876	-	794,095
Pension Reserve	(564,000)	-	-	155,000	-	(409,000)
	<u>764,522</u>	<u>753,854 00</u>	<u>(660,822)</u>	<u>(13,652)</u>	<u>117,000</u>	<u>960,902</u>
Restricted funds						
Research/Project Activities	-	-	-	-	-	-
TOTAL FUNDS	<u>764,522</u>	<u>753,854</u>	<u>(660,822) -</u>	<u>13,652</u>	<u>117,000</u>	<u>960,902</u>

The restricted fund received during the year were as follows

	£	£	£	£	£
iTunes U	-	33,093	33,093	-	-
LAPS	-	17,628	31,280	13,652	-
Barclays	-	11,200	11,200	-	-
Rainova	-	15,619	15,619	-	-
Lloyds	-	153,764	153,764	-	-
ECVET	-	13,504	13,504	-	-
NOS	-	1,284	1,284	-	-
Chongqing	-	47,026	47,026	-	-
Leonardo 12-14	-	58,630	58,630	-	-
Leonardo 13-15	-	2,999	2,999	-	-
	<u>-</u>	<u>354,747</u>	<u>368,399</u>	<u>13,652</u>	<u>-</u>

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16 Funds - (Con't)

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.

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.

Barclays Bank have provided funding for Colleges to stage a Money Week between 3rd February and 2nd 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.

Lloyds TSB Bank have provided funding to continue to deliver the FSA project. 2012/13 funding to deliver Teach me / Teach Other training in Financial Capability for staff, a Money for Life Challenge and legacy grants of £1,000 that all national finalists can apply for.

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 started in March 2012 and will finish at the end of March 2014 - the finish date has been extended from December 2013 because of an under spend by the National Agency in some areas of the project.

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 formed the Wales China FE Consortium in August 2011 to work collaboratively with the vocational education and training sector in Chongqing, China. The eleven colleges committed to the consortium for a period of 2 years. In August 2013 all of the FE colleges in Wales became members of the consortium (apart from Merthyr Tydfil College).

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.

Leonardo 13-15 This is the third centralised application for funding that has been submitted by Colleges Wales on behalf of 7 colleges in Wales. The funding will allow 47 vocational learners to undertake a two to three week work placement in Europe.

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16 Funds - (Con't)

Analysis of Net assets between funds

	Fixed assets £	Net current assets £	Creditors due > 1 Yr £	Total funds £
Unrestricted funds	813,090	573,053	-	1,386,143
Designated funds	-	-	-	-
Pension fund reserve	-	-	(409,000)	(409,000)
	<u>813,090</u>	<u>573,053</u>	<u>(409,000)</u>	<u>977,143</u>

17 Capital commitments and contingencies

There were no capital commitments as at 31 July 2013 (2012 nil)

18 Financial commitments

At 31 July 2013 the company had annual commitments under operating leases as follows

	Land and buildings £ 2013	Other £ 2013	Land and buildings £ 2012	Other £ 2012
Expiring within one year	-	-	-	812
Expiring after more than one year	314,250	322	204,250	322
In more than five years	<u>-</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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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 2012

The Employer's regular contributions to the fund for the year ending 31 July 2014 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-13 (% pa)	31-Jul-12 (% pa)	31-Jul-11 (% pa)
Discount rate	4.2	3.9	5.3
Inflation rate - RPI	3.5	2.9	3.6
Inflation rate - CPI	2.6	1.9	2.7
Rate of increase to pensions in payment*	2.6	1.9	2.7
Rate of increase to deferred pensions	2.6	2.7	2.7
Rate of general increase in salaries	4.5	3.9	4.6

* 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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19 Pensions - (Cont'd)

Post retirement mortality (retirement in normal health)
Males

	31 July 13	31 July 12
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)	24 0	23 9
Future lifetime from age 65 (current aged 45)	25 7	25 6

Females

	31 July 13	31 July 12
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 8	26 7
Future lifetime from age 65 (current aged 45)	28 8	28 7

* 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 2013

31 July 2012

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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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-13 (% pa)*	Asset split as at 31-Jul-13 (% pa)	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)
Equities	7.8	72.4	7.5	72.4	7.9	75.3
Property	7.3	6.5	7.0	6.5	7.4	4.0
Government bonds	3.3	8.2	2.5	8.2	3.9	4.9
Corporate bonds	4.0	9.2	3.2	9.2	4.7	11.0
Cash	0.9	1.5	1.4	1.5	1.5	1.1
Other**	7.8	2.2	7.5	2.2	7.9	3.7
Total	7.1	100.0	6.6	100.0	7.3	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 2013.

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19 Pensions - (Cont'd)

Reconciliation of funded status to balance sheet

	Value at 31 July 2013 (£M)	Value at 31 July 2012 (£M)	Value at 31 July 2011 (£M)
Fair value of fund assets	1 792	1 409	1 287
Present value of liabilities	(2 201)	(1 973)	(1 660)
Net pension asset/(liability) before consideration of paragraph 41	(0 409)	(0 564)	(0 373)
Unrecognised asset due to limit in paragraph 41	0 000	0 000	0 000
Pension asset/(liability) recognised on the Balance Sheet	(0 409)	(0 564)	(0 373)

Analysis of Statement of Financial Activities Charge

	Year ending 31 July 2013 (£M)	Year ending 31 July 2012 (£M)
Current service costs	0 075	0 067
Past service costs	0 004	0 000
Interest costs	0 078	0 090
Expected return on assets	(0 094)	(0 096)
Curtailment cost	0 000	0 000
Settlement cost	0 000	0 000
Expense recognised in Statement of Financial Activities	0.063	0.061

Changes to the present value of liabilities during the year

	Year ending 31 July 2013 (£M)	Year ending 31 July 2012 (£M)
Opening present value of liabilities	1 973	1 660
Current service cost	0 075	0 067
Interest cost	0 078	0 090
Contributions by participants	0 022	0 021
Actuarial (gains)/losses on liabilities *	0 089	0 139
Net benefits paid out #	(0 040)	(0 004)
Past service cost	0 004	0 000
Net increase in liabilities from disposals and acquisitions	0 000	0 000
Curtailments	0 000	0 000
Settlements	0 000	0 000
Closing present value of liabilities	2.201	1.973

* 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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19 Pensions - (Cont'd)

Changes to the present value of assets during the year

	Year ending 31 July 2013 (£M)	Year ending 31 July 2012 (£M)
Opening fair value of assets	1 409	1 287
Expected return on assets	0 094	0 096
Actuarial losses on assets	0 206	(0 086)
Contribution by the employer	0 101	0 095
Contribution by participants	0 022	0 021
Net benefits paid out #	(0.040)	(0.004)
Net increase in assets from disposals and acquisitions	0 000	0 000
Settlements	0 000	0 000
Closing fair value of assets	1.792	1.409

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 2013 (£M)	Year ending 31 July 2012 (£M)
Expected return on assets	0 094	0.096
Actuarial gain on assets	0 206	(0 086)
Actual return on assets	0.300	0.010

Analysis of amount recognised in STRGL

	Year ending 31 July 2013 (£M)	Year ending 31 July 2012 (£M)
Total actuarial (losses)	0 117	(0 225)
Change in irrecoverable surplus, effect of limit in paragraph 41	0 000	0 000
Total (loss) in STRGL	0 117	(0 225)

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19 Pensions - (Cont'd)

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

	Year ending 31 July 2013 (£M)	Year ending 31 July 2012 (£M)
Fair value of assets	1 792	1 409
Present value of liabilities	<u>(2 201)</u>	<u>(1 973)</u>
(Deficit)	(0.409)	(0.564)

* 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 2013 (£M)	Year ending 31 July 2012 (£M)
Experience gains on assets	0 206	(0 086)
Percentage of assets	11.5%	-6.1%
Experience gains on liabilities#	0 000	(0 001)
Percentage of the present value of the liability	0.0%	-0.1%

* 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

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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 Coleges Wales / Colegau Cymru Limited during the year and their relationship with the respective Colleges were

Director	College	Relationship
Derek Lloyd	Pembrokeshire College	Chair
Nick Bennett (resigned 31 May 2013)	Gower College Swansea	Principal
David Jones	Deeside College	Principal
Mark Jones	Gower College Swansea	Principal
Judith Evans	Coleg Morgannwg	Principal
Jim Bennett	Coleg Gwent	Principal
Simon Pirotte	Bridgend College	Principal
Glyn Jones OBE	Grŵp Llandrillo Menai	Principal
Jon Parry (resigned 10 January 2014)	Coleg Harlech WEA (N)	Chair
David Mason (resigned 13 February 2013)	Merthyr Tydfil College Ltd	Chair

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 (resigned 21 May 2013)	Deeside College	Principal
Mike James	Cardiff and Vale College	Principal
Mark Jones	Gower College Swansea	Principal
Glyn Jones OBE (appointed 1 July 2013)	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

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NOTES TO THE FINANCIAL STATEMENT

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20 Related party transactions - (Con't)

Colleges Wales / Colegau Cymru Limited							
Income invoiced to Colleges during the year	Subscriptions	Chong-qing	Networks	Staff Devmt	ALIS	Other	Total
	£	£	£	£	£	£	£
Bridgend College	35,165	5,000	255	-	-	381	40,801
Cardiff and Vale College	59,215	5,000	140	-	938	-	65,293
Coleg Ceredigion	7,207	-	150	-	-	-	7,357
Coleg Gwent	71,461	5,000	-	-	-	204	76,665
Coleg Harlech	4,217	5,000	115	-	-	-	9,332
Coleg Morgannwg	35,165	5,000	140	2,888	1,198	300	44,691
Coleg Powys	16,429	5,000	115	1,083	-	458	23,085
Coleg Sir Gâr	35,165	-	150	361	1,781	232	37,689
Deeside College	43,032	5,000	-	123	1,378	44	49,577
Gower College Swansea	55,992	5,000	140	-	2,423	44	63,599
Grŵp Llandrillo Menai	83,000	5,000	115	-	6,758	132	95,005
Merthyr Tydfil College Ltd	10,246	-	140	-	-	-	10,386
Neath Port Talbot College	43,032	-	-	2,527	2,040	221	47,820
Pembrokeshire College	23,212	-	215	-	-	44	23,471
St David's Catholic College	8,704	-	-	-	2,304	-	11,008
WEA South	4,217	-	182	-	-	-	4,399
Yale College	37,494	5,000	-	1,083	1,664	1,171	46,412
YMCA	2,552	-	150	1,083	-	-	3,785
Ystrad Mynach College	28,120	5,000	265	-	587	1,259	35,231
Total	603,625	55,000	2,272	9,148	21,071	4,490	695,606

Payments to Colleges during the year	Catering/ Accom	Chong-qing	Training	Other	Projects	Bilingual	Total
	£	£	£	£	£	£	£
Bridgend College	-	-	-	-	11,729	-	11,729
Cardiff and Vale College	265	-	-	-	11,123	-	11,388
Coleg Gwent	-	-	-	-	4,050	-	4,050
Coleg Morgannwg	-	-	-	-	14,611	-	14,611
Coleg Powys	4,797	-	-	-	-	-	4,797
Deeside College	257	-	-	-	3,310	-	3,567
Gower College Swansea	-	-	-	-	4,720	-	4,720
Grŵp Llandrillo Menai	-	-	-	-	4,947	-	4,947
Neath Port Talbot College	-	-	-	-	5,930	-	5,930
Pembrokeshire College	-	-	-	-	2,000	-	2,000
St David's Catholic College	-	-	-	-	1,500	-	1,500
Yale College	-	-	-	-	11,083	-	11,083
Ystrad Mynach College	-	-	-	-	2,500	-	2,500
Total	5,319	-	-	-	77,503	-	82,822

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NOTES TO THE FINANCIAL STATEMENTS

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20 Related party transactions - (Con't)

The following amounts were receivable from Colleges at 31 July 2013 :

	£
Bridgend College	381
Cardiff and Vale College	5,140
Coleg Ceredigion	150
Coleg Gwent	(90)
Coleg Harlech	9,332
Coleg Morgannwg	1,022
Coleg Powys	1,497
Coleg Sir Gâr	232
Gower College Swansea	140
Yale College	1,171

Total	18,975
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The following amounts were payable to Colleges at 31 July 2013 :

	£
Coleg Morgannwg	7,727
Coleg Powys	610
Neath Port Talbot College	4,930
Yale College	9,483

Total	22,750
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COLLEGES WALES / COLEGAU CYMRU LIMITED

(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 JULY 2013

20 Related party transactions - (Con't)

Fforwm Services Ltd

Income invoiced to Colleges during the year

	Lease rental income	Staff development course	Annual Confer- ence	WFEP Subs	Other	Total
	£	£	£	£	£	£
Bridgend College	-	3,467	1,315	3,533	-	8,315
Cardiff and Vale College	-	2,644	1,200	8,187	-	12,031
Coleg Ceredigion	-	1,898	490	1,102	-	3,490
Coleg Gwent	-	4,168	1,960	9,833	-	15,961
Coleg Harlech	-	80	-	564	-	644
Coleg Morgannwg	-	2,126	2,565	3,432	-	8,123
Coleg Powys	-	1,765	785	2,277	-	4,827
Coleg Sir Gâr	-	3,905	1,405	2,624	-	7,934
Deeside College	-	3,169	1,065	5,830	-	10,064
Gower College Swansea	-	2,562	1,210	7,588	-	11,360
Grŵp Llandrillo Menai	76,000	9,131	3,335	12,357	-	100,823
Merthyr Tydfil College Ltd	-	1,289	170	1,683	-	3,142
Neath Port Talbot College	-	4,148	2,170	5,553	-	11,871
Pembrokeshire College	-	3,276	1,865	2,220	-	7,361
St David's Catholic College	-	250	360	1,566	-	2,176
WEA South	-	902	-	564	-	1,466
Yale College	-	2,836	2,195	5,195	-	10,226
YMCA	-	460	120	249	-	829
Ystrad Mynach College	-	2,368	990	3,880	-	7,238
Total	76,000	50,444	23,200	78,237	-	227,881

Payments to Colleges during the year

	Lease rental expenditure	Catering Accom and Room Hire	Other	WFEP	Projects	Total
	£	£	£	£	£	£
Coleg Powys	-	1,193	-	221	160	1,574
Coleg Ceredigion	-	-	-	-	42	42
Coleg Sir Gâr	-	-	150 00	-	-	150
Gower College Swansea	-	1,000	-	-	-	1,000
Grŵp Llandrillo Menai	75,000	2,400	-	78	-	77,478
Total	75,000	4,593	150	299	202	80,244

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2013

20 Related party transactions - (Con't)

The following amounts were receivable from Coll	£
	2,094
Bridgend College	3,090
Cardiff and Vale College	978
Coleg Ceredigion	15,635
Coleg Gwent	120
Coleg Harlech	3,078
Coleg Morgannwg	1,374
Coleg Powys	2,646
Coleg Sir Gâr	2,347
Deeside College	2,400
Gower College Swansea	12,832
Grŵp Llandrillo Menai	614
Merthyr Tydfil College Ltd	1,063
Neath Port Talbot College	3,624
Pembrokeshire College	432
St David's Catholic College	672
WEA South	4,350
Yale College	96
Ystrad Mynach College	
	<hr/>
	57,445
Total	<hr/>

The following amounts were payable to Colleges at 31 July 2013 .

	£
	720
Coleg Powys	<hr/>
	720
Total	<hr/>

Mergers to Colleges post year end

FE colleges have continued to respond positively to the Welsh Government's Transformation agenda. During

- Coleg Morgannwg and Ystrad Mynach College dissolved in August 2013 with the establishment of Coleg y Cymoedd
- Coleg Cambria was formed from the merger between Neath Port Talbot College and Coleg Powys in August 2013
- NPTC Group was established from the merger between Neath Port Talbot College and Coleg Powys in August 2013
- Coleg Sir Gâr merged with University of Wales Trinity St David's in August 2013
- Coleg Ceredigion merged with University of Wales Trinity St David's in October 2013
- WEA South and Coleg Harlech/WEAN merged in January 2014 to form WEA Cymru

There are now 15 FE colleges in Wales - 10 FE colleges, 2 FE institutions and 3 colleges wholly owned by universities