

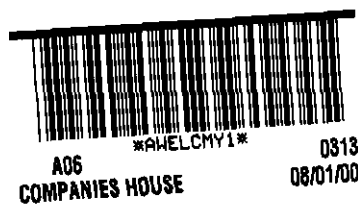


**TRINITY COLLEGE CARMARTHEN
FOUNDATION LIMITED**
(Limited by Guarantee)

Consolidated Financial Statements

31 July 1999

Deloitte & Touche
Blenheim House
Fitzalan Court
Newport Road
Cardiff CF2 1TS



**REPORT AND FINANCIAL STATEMENTS 1999**

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FINANCIAL STATEMENTS 1999

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D C Jones-Davies
Dr R A Brinley Jones
B L V Richards

SECRETARY

D A Davies (resigned 31 August 1999)
G E Pierce (appointed 1 September 1999)

REGISTERED OFFICE

Trinity College
Carmarthen
Carmarthenshire
SA31 3EP

REGISTERED CHARITY NUMBER

1048771

EXTERNAL AUDITORS

Deloitte & Touche

INTERNAL AUDITORS

Harris Bassett and Co

BANKERS

Midland Bank plc

SOLICITORS

Trant and Richards

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 July 1999.

INCORPORATION

The Trinity College Carmarthen Foundation was registered by the Charity Commission as a new incorporated charity on 25 August 1995. The new Company Limited by Guarantee (Charity Number 1048771) commenced trading on 1 August 1997. The existing Charity (Registered Number 525786) based on the previous 1981 Scheme and representing the permanent endowment is now vested in the Charity Commission's scheme dated 12 June 1997, which governs the Charity known as Trinity College. In essence the incorporated Governing body, which operates the College also functions as the trustee holding the permanent endowment. The existence of the two charities with separate registration numbers will require that both the endowment in Trinity College and the assets in the Foundation will be accounted for separately.

ACTIVITIES AND REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The company carried on its business as a College. The consolidated results for the year are shown on page 5.

The directors are satisfied the company will continue to trade profitably.

BENCHMARKING

The College continue to assess its relative performance through involvement in a range of benchmarking exercises and related comparative analyses. These include contributing to comparative work undertaken by the Higher Education Purchasing Consortium for Wales (HEPCW), specific investigations undertaken by Meridian purchasing consultants, and further development of work commissioned jointly by nine institutions in the Association of Church and Associated Colleges.

SPECIAL PROJECTS

The main projects undertaken with external financial support relate to the production of curriculum materials for Geography and Welsh, funded through ACCAC contracts of £43,378 and the development of web-based distance learning materials, supported by a grant of £23,070 from Llwybr-Pathway.

CONSTITUTIONAL CHANGES

The incorporated Governing Body, which operates the College through a Company Limited by Guarantee (Charity Number 1048771), also functions as the trustee of the charity holding the permanent endowment (Registration Number 525786). The existence of the two charities with separate registration number requires that both the endowment in Trinity College and the assets in the Company are accounted for separately.

DIRECTORS

The directors who served during the year are set out on page 1.

YEAR 2000

The Year 2000 programme has proceeded according to plan. Potential problems were categorised. Networking equipment has been checked and is considered to be compliant. Embedded systems, personal in-house data and critical supplies have also been addressed. A Business Continuity Plan is in place, and a phased programme for testing all systems is to be undertaken during the first week of January 2000 prior to the return of students.

**DIRECTORS' REPORT (continued)****EMPLOYMENT OF DISABLED PERSONS**

The College has a policy of employing disabled people in suitable posts and for making arrangements wherever possible to encourage employees who develop a disability to continue working for the institution.

CONCLUSION

Having undertaken a major restructuring and rationalisation of senior management and academic staffing, by introducing a Faculty structure during the latter part of 1998/99, Trinity College has positioned itself to develop its services and activities as an independent institution which is responsive to the economic, social and cultural environment. At the same time, the College seeks to be continually aware of the opportunities that arise for more effective and efficient pursuit of its mission through partnership and collaboration with other organisations.

The key to future investment in the College's infrastructure lies in a strategy which identifies and realises opportunities for redeploying its wide range of assets in ways which meet the continually evolving needs of core business activities. In parallel, the College has a significant opportunity over the three years commencing 1999/2000 to utilise Funding Council grant to secure a coherent Information and Communications Technology platform; this is fundamental to the achievement of several major strands in the College's strategic plan.

AUDITORS

A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

G E Pierce
Secretary

Date 30/xi/99

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or 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 judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business;
- state whether applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



AUDITORS' REPORT TO THE MEMBERS OF TRINITY COLLEGE CARMARTHEN FOUNDATION LIMITED (LIMITED BY GUARANTEE)

We have audited the consolidated financial statements on pages 5 to 22 which have been prepared under the historical cost convention and the accounting policies set out on pages 11 and 12.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 31 July 1999, and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Chartered Accountants and
Registered Auditors

Date 13/12/99


**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
Year ended 31 July 1999**

	Note	1999 £	1998 Total funds (as restated) see note 20 £
INCOME			
HEFCW grants	2a	4,750,466	4,401,078
European grants		19,750	-
Amortisation of capital grants		16,574	60,792
Tuition fees	2b	1,668,796	1,872,950
Other operating income		1,940,119	1,532,401
Investment income	2c	30,206	64,976
Surplus on disposal of investment	3	-	86,301
Farm surplus		-	50,028
Total Incoming Resources		8,425,911	8,068,526
EXPENDITURE			
Staff costs	6	5,270,610	5,197,050
Other operating charges		2,597,733	2,319,498
Interest payable	5	258,326	355,393
Depreciation		149,360	198,698
Total Expenditure		8,276,029	8,070,639
Net Income	6	149,882	(2,113)
Profit and loss brought forward at 1 August		(123,965)	(121,852)
Profit and loss carried forward at 31 July		25,917	(123,965)

The notes on pages 10 to 20 form part of these accounts.

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
Year ended 31 July 1999**

	1999 £	1998 Total funds (as restated) see note 20 £
Total gains and losses related to the year as above	149,882	(123,965)
Prior period adjustment (note 19)	245,577	-
Total gains and losses recognised since the last report	395,459	(123,965)



**SUMMARY INCOME AND EXPENDITURE ACCOUNT
Year ended 31 July 1999**

	Note	1999	1998 (as restated) see note 20)
		£	£
Total income of continuing operations		8,425,911	8,068,526
Total expenditure of continuing operations		(8,276,029)	(8,070,639)
Net income/(expenditure) for the year		<u>149,882</u>	<u>(2,113)</u>

There are no recognised gains or losses for the financial year other than as stated above.

A detailed analysis of income by source is provided in the income and expenditure account.

Detailed analyses of the expenditure are provided in the income and expenditure account.

The Summary Income and Expenditure Account is derived from the Income and Expenditure Account on page 5 which, together with the notes to the accounts on pages 10 to 20, provide full information on the movements during the year on all the funds of the company


**CONSOLIDATED BALANCE SHEET
31 July 1999**

	Note	1999 £	1998 (as restated see note 20 £)
FIXED ASSETS			
Tangible assets	8	740,756	673,805
CURRENT ASSETS			
Stock	10	98,133	79,925
Debtors	11	4,301,292	4,292,944
Cash at bank and in hand		419,472	583,792
		<u>4,818,897</u>	<u>4,956,661</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	<u>(609,527)</u>	<u>(643,596)</u>
NET CURRENT ASSETS		<u>4,209,370</u>	<u>4,313,065</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,950,126	4,986,870
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	13	(3,330,452)	(3,575,481)
PROVISIONS FOR LIABILITIES AND CHARGES	14	(1,438,131)	(1,361,102)
DEFERRED CAPITAL GRANTS	15	<u>(110,862)</u>	<u>(129,488)</u>
		<u>70,681</u>	<u>(79,201)</u>
RESERVES			
Farm capital account	16	35,894	35,894
Profit and loss account	17	25,917	(123,965)
Higher Education Funding Council for Wales	18	8,870	8,870
		<u>70,681</u>	<u>(79,201)</u>

These financial statements were approved by the directors on

D Clive Jones Davies

D Clive Jones Davies -

Principal

30 November 1999


**COMPANY BALANCE SHEET
31 July 1999**

	Note	1999 £	1998 (as restated see note 20) £
FIXED ASSETS			
Tangible assets	8	681,088	624,072
Investments	9	1,000	1,000
		<u>682,088</u>	<u>625,072</u>
CURRENT ASSETS			
Stock	10	98,133	79,925
Debtors	11	4,522,627	4,535,037
Cash at bank and in hand		261,425	500,834
		<u>4,882,185</u>	<u>5,115,796</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	<u>(646,367)</u>	<u>(758,810)</u>
NET CURRENT ASSETS		<u>4,235,818</u>	<u>4,536,986</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,917,906	4,982,058
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	13	(3,330,452)	(3,575,481)
PROVISIONS FOR LIABILITIES AND CHARGES	14	(1,438,131)	(1,361,102)
DEFERRED CAPITAL GRANTS	15	(110,862)	(129,488)
TOTAL NET ASSETS/(LIABILITIES)		<u>38,461</u>	<u>(84,013)</u>
RESERVES			
Profit and loss account	17	38,461	(84,013)
		<u>38,461</u>	<u>(84,013)</u>

These financial statements were approved by the directors on 30 November 1999.

Clive Jones-Davies
D Clive Jones-Davies -

Principal


**CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 July 1999**

	Note	1999 £	1998 £
Net cash inflow/(outflow) from operating activities	20	523,033	(3,380,673)
Returns on investments and servicing of finance			
Interest paid		(258,326)	(5,728)
Interest received		30,206	43,776
Net cash inflow from returns on investment and servicing of finance		(228,120)	38,048
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(216,311)	(166,147)
Capital grants received		-	49,720
Net cash outflow from capital expenditure and financial investment		(216,311)	(116,427)
Financing activities			
Finance lease repayments		(2,099)	(5,861)
Loan repayments		(170,029)	(110,171)
New loan taken out		-	3,670,481
Net cash (outflow)/inflow from financing	22	(172,128)	3,554,449
(Decrease)/increase in cash	22	(93,526)	95,397



**NOTES TO THE ACCOUNTS
Year ended 31 July 1999**

1. ACCOUNTING POLICIES

Strategic Plan

The HEFCW requested the preparation of a five year strategic plan covering the period 1998/99 to 2002/03.

The forecasts indicate that the College will make a surplus in 1999/00 and continue to do so after this.

The governors have reviewed the forecasts and consider that, at the time of approval of the financial statements, there is no significant concern that the College will be unable to operate within its current bank and funding facilities for the foreseeable future.

Accounting convention

The financial statements are prepared in accordance with the statement of recommended practice "Accounting in Higher Education Institution" approved by the Accounting Standards Board and with the requirements of the Companies Act 1985.

Basis of consolidation

The consolidated financial statements include the College, the Foundation, the Farm and Library. Intra entity transactions and balances are eliminated fully on consolidation. Trinity College Carmarthen Foundation Limited has one subsidiary – Trinity College Library and Ancillary Services Limited which runs the College Library and acts as a general commercial company.

Recognition of income

Income from contracts and services is included to the extent of the completion of the contract or services concerned. Income in respect of capital items is deferred and amortised over the same period as the assets to which they relate.

Fixed assets

Prior to 1 April 1992 fixed assets were written off on acquisition. From 1 April 1992 items costing over £1,000 were capitalised and depreciated. This limit was raised to £5,000 from 1 August 1995.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost represents the invoiced price of stocks.

Depreciation

Depreciation is provided on a straight line basis, so as to write off the cost of fixed assets over the expected useful economic lives of the assets. The specific rates applied are as follows:

i)	Buildings	-	2%
ii)	Motor vehicles	-	25%
iii)	Equipment, fixtures and fittings	-	10-33 1/3%

Pensions

College academic staff are members of the Teachers Pension Agency and the college contributes 7.2% of current academic employees' gross pay to the Scheme. Employees' own contributions to this scheme are deducted from their salaries and paid over to the fund by the college. Administrative non academic staff are members of the Carmarthenshire Local Government Superannuation Scheme and the college contributed 5.5% of their gross pay, increased to 10% effective from 1 April 1999. Contributions to the scheme are charged to the income and expenditure account so as to spread the cost of pensions over employees working lives with the college in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll.

Pension payments are made by the college to staff who have taken early retirement. Full provision for the expected costs of such payments is made in the year of retirement.



**NOTES TO THE ACCOUNTS
Year ended 31 July 1999**

1. ACCOUNTING POLICIES (CONTINUED)

Maintenance of premises

The total cost of maintenance of premises is charged to the income and expenditure account in the period it is incurred. This is a change compared to previous periods where the College had a maintenance plan for more substantial maintenance which was reviewed on an annual basis. The expected cost of carrying out the programme of planned maintenance was charged to the income and expenditure account over the period of the maintenance plan. Hence, whilst the cost of routine corrective maintenance was charged to the income and expenditure account in the period it was incurred, the actual expenditure on planned maintenance was charged to the provision.

The planned maintenance of £756,143 (1998 - £965,599), was charged to the income and expenditure account during the period compared to £851,375 (1998 - £926,096) which would have been charged under the previous accounting policy.

Leases

Fixed assets held under finance leases and the related lease obligations are recorded in the balance sheet at the fair value of the leased assets at the inception of the lease. The excess of lease payments over recorded lease obligations are treated as finance charges which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligations.

Rental costs under operating leases are charged to expenditure in equal annual amounts over the periods of the leases.

Taxation

As an exempt charity the College benefits by being broadly exempt from corporation tax on income it receives from tuition fees, interest and rents.

2. ANALYSIS OF INCOME

		Consolidated funds
	1999	1998
	£	£
(a) HEFCW grants		
Recurrent grants	4,699,640	4,368,317
Access funds	50,826	32,761
	<u>4,750,466</u>	<u>4,401,078</u>
	1999	1998
	£	£
(b) Tuition fees		
Home	1,464,821	1,500,441
Overseas	124,027	176,816
Short courses/day courses	37,201	43,075
Research	42,747	152,618
	<u>1,688,796</u>	<u>1,872,950</u>


**NOTES TO THE ACCOUNTS
Year ended 31 July 1999**
2. ANALYSIS OF INCOME (continued)

	1999 £	1998 £
(c) Other operating income		
Catering and residence operations	1,475,927	1,381,513
Other income generating activities	382,565	109,281
Other income	81,627	41,607
	<u>1,940,119</u>	<u>1,532,401</u>

3. INCOME RECEIVABLE AND SIMILAR INCOME

	1999 £	1998 £
Bank and other interest received	<u>30,206</u>	<u>43,776</u>

4. STAFF COSTS

	1999 No.	Consolidated 1998 No.
The average weekly number of Persons employed by the college during the period was:		
Teaching departments	114	114
Teaching support services	24	25
Other support services	18	20
Administration and central services	47	48
Premises	21	32
Catering and residence	65	61
	<u>289</u>	<u>300</u>


**NOTES TO THE ACCOUNTS
Year ended 31 July 1999**
4. STAFF COSTS (continued)

	Consolidated	
	1999	1998
	£	£
Staff costs for the above persons:		
Teaching departments	2,844,844	2,859,842
Teaching support services	222,397	232,383
Other support services	204,958	238,250
Administration and central services	1,056,551	977,065
Premises	294,834	323,414
Catering and residence	546,745	566,096
Redundancy costs	100,581	-
	<u>5,270,610</u>	<u>5,197,050</u>
Wages and salaries	4,668,945	4,666,057
Social security costs	378,533	383,550
Other pension costs	122,551	147,443
Redundancy costs	100,581	-
	<u>5,270,610</u>	<u>5,197,050</u>
Employment costs for staff on permanent contracts	5,130,755	5,050,102
Employment costs for staff on short-term and temporary contracts	139,855	146,948
	<u>5,270,610</u>	<u>5,197,050</u>
Basic emoluments of principal	73,934	68,504
<p>The emoluments of the principal exclude the value of accommodation - £12,863 for 1998/99 (£12,753 - 1997/98). The College's pension contributions are paid on his behalf at the same rates as for other academic staff and amounted to £5,323 for 1998/99 (1997/98 - £4,932).</p>		
<p>Remuneration of other higher paid staff, excluding pension contributions</p>		
	1999	1998
£50,000 - £59,999	3	1
£60,000 - £69,999	1	-
	<u>4</u>	<u>1</u>

In addition Mr B.L Richards a "National Society" Governor is a partner in Trant & Richards, solicitors to the College. This firm charged the College £1,800 for legal fees in the year (1997/8 - £705).


**NOTES TO THE ACCOUNTS
Year ended 31 July 1999**
5. INTEREST PAYABLE

	Consolidated	
	1999	1998
	£	£
On bank loans, overdrafts and other loans		
Repayable after 5 years	258,326	355,393

6. NET INCOME

	Consolidated	
	1998	1997
	£	£
Net income is after charging		
Depreciation - owned assets	149,360	195,002
- leased assets	-	3,696
Auditors' remuneration		
- external audit	13,512	11,550
- internal audit	11,772	10,314
- other services by external auditors	14,083	19,016
Hire of machinery and equipment	67,201	50,343

7. TAXATION

The company is a registered charity and the directors do not believe the College was liable for any corporation tax arising out of the activities during this period.


**NOTES TO THE ACCOUNTS
Year ended 31 July 1999**
8. TANGIBLE FIXED ASSETS

Consolidated	Motor vehicles £	Equipment fixtures and fittings £	Land and buildings £	Total £
Cost				
At 1 August 1998	49,328	1,293,899	411,746	1,754,973
Additions in the year	30,860	185,451	-	216,311
At 31 July 1999	80,188	1,479,350	411,746	1,971,284
Accumulated depreciation				
At 1 August 1998	48,420	1,002,427	30,321	1,081,168
Charge for the year	8,623	132,977	7,760	149,360
At 31 July 1999	57,043	1,135,404	38,081	1,230,528
Net book value				
At 31 July 1999	23,145	343,946	373,665	740,756
At 31 July 1998	908	291,472	381,425	673,805
Company	£	£	£	£
Cost				
At 1 August 1998	49,328	1,293,898	357,851	1,701,077
Additions in the year	30,860	169,661	-	200,521
At 31 July 1999	80,188	1,463,559	357,851	1,901,598
Accumulated depreciation				
At 1 August 1998	48,420	1,002,427	26,158	1,077,005
Charge for the year	8,623	127,714	7,168	143,505
At 31 July 1999	57,043	1,130,141	33,326	1,220,510
Net book value				
At 31 July 1999	23,145	333,418	324,525	681,088
At 31 July 1998	908	291,471	331,693	624,072

**NOTES TO THE ACCOUNTS
Year ended 31 July 1999**

9. INVESTMENTS

	1999 £	Company 1998 £
1,000 ordinary £1 shares – Trinity College Library	1,000	1,000

The company owns 100% of the issued share capital of Trinity College Library and Ancillary Services (Carmarthen) Limited.

10. STOCKS

	1999 £	Consolidated and company 1998 £
Teaching	20,871	27,214
Maintenance	48,655	33,350
Kitchen	21,569	12,474
Other college stocks	7,039	6,887
	<u>98,133</u>	<u>79,925</u>

11. DEBTORS

	1999 £	Consolidated 1998 £	1999 £	Company 1998 £
DUE WITHIN ONE YEAR				
Trinity College Farm	-	-	-	46,311
Debtors for goods and services	431,799	388,724	419,129	382,256
Trinity College	520,230	302,148	520,230	302,148
Trinity College Library	-	-	235,005	203,250
Other debtors	15,192	2,619	15,192	2,619
Prepaid expenditure	3,617	23,972	3,617	23,972
	<u>970,838</u>	<u>717,463</u>	<u>1,193,173</u>	<u>960,556</u>
DUE AFTER ONE YEAR				
Trinity College	3,330,454	3,575,481	3,330,454	3,575,481
	<u>4,301,292</u>	<u>4,292,944</u>	<u>4,523,627</u>	<u>4,536,037</u>


NOTES TO THE ACCOUNTS
Year ended 31 July 1999
12. CREDITORS DUE WITHIN ONE YEAR

	Consolidated		Company	
	1999	1998	1999	1998
	£	£	£	£
Bank overdraft	-	70,794	-	70,794
Bank loans	170,000	95,000	170,000	95,000
Creditors for goods and services	317,135	322,352	313,512	437,566
Student indemnity bonds	1,332	14,413	1,332	14,413
Other creditors including tax and social security	121,060	138,938	120,060	138,938
Finance lease creditors	-	2,099	-	2,099
Trinity College Library	-	-	41,463	-
	<u>609,527</u>	<u>643,596</u>	<u>646,367</u>	<u>758,810</u>

13. CREDITORS DUE AFTER MORE THAN ONE YEAR

	Consolidated and company	
	1999	1998
	£	£
Bank loan	<u>3,330,452</u>	<u>3,575,481</u>

The finance lease creditors are secured on the assets to which they relate. The creditor is wholly repayable within five years.

The bank loan was originally advanced on 21 May 1996 to Trinity College (previously Trinity College Carmarthen Foundation). On 31 July 1998 the loan was repaid by Trinity College from an advance made from Trinity College Carmarthen Foundation Limited who then entered into a new loan for the same amount and same repayment terms.

The loan is repayable on demand but it is intended that it will be repayable over a term of 20 years. Interest was charged at the rate of 1.15% over the banks base rate (1% from January 1999).

The loan is secured by a legal charge on student accommodation blocks owned by Trinity College.


NOTES TO THE ACCOUNTS
Year ended 31 July 1999
13. CREDITORS DUE AFTER MORE THAN ONE YEAR (continued)

Bank loans are repayable as follows:

	Consolidated and company	
	1999	1998
	£	£
Due within		
One year	170,000	95,000
After one year		
One to two years	192,000	195,000
Two to five years	652,000	585,000
After five years	2,486,452	2,795,481
	<u>3,330,452</u>	<u>3,575,481</u>
	<u>3,500,452</u>	<u>3,670,481</u>

14. PROVISIONS FOR LIABILITIES AND CHARGES

	Consolidated and Company	
	1999	1998
		(as restated) see note 19
	£	£
Pension provision	<u>1,438,151</u>	<u>1,361,102</u>
Pensions		
Balance at 1 August	1,361,102	1,316,319
Payments in period	(100,378)	(98,050)
Charge for the period	<u>177,407</u>	<u>142,833</u>
Balance at 31 July	<u>1,438,131</u>	<u>1,361,102</u>


**NOTES TO THE ACCOUNTS
Year ended 31 July 1999**
15. DEFERRED CAPITAL GRANTS

	Consolidated and company	
	1999	1998
	£	£
At 1 August	129,488	140,560
Received in year	-	49,720
At 31 July	<u>129,488</u>	<u>190,280</u>
Amortisation		
Amortisation for year	<u>18,626</u>	<u>60,792</u>
	<u>110,862</u>	<u>129,488</u>

16. CAPITAL ACCOUNTS

	Consolidated £
Balance at 31 July 1999 and 31 July 1998	<u>35,894</u>

17. PROFIT AND LOSS ACCOUNT

	Consolidated		Company	
	1999	1998	1999	1998
	£	£	£	£
Balance brought forward	(123,965)	(367,429)	(84,013)	(452,905)
Prior year adjustment (see note 19)	-	245,577	-	245,577
As restated	(123,965)	(121,852)	(84,013)	(207,328)
Profit/(loss) for the period	<u>149,882</u>	<u>(2,113)</u>	<u>122,474</u>	<u>123,315</u>
Balance carried forward	<u>25,917</u>	<u>(123,965)</u>	<u>38,461</u>	<u>(84,013)</u>

18. HIGHER EDUCATION FUNDING COUNCIL FOR WALES

	Consolidated £
Capital sums received to eliminate bank overdraft	<u>8,870</u>

The capital sum represents the permanent capital of the fund attributable to the Higher Education Funding Council for Wales.



**NOTES TO THE ACCOUNTS
Year ended 31 July 1999**

19. FINANCIAL COMMITMENTS

At 31 July 1999 the College had annual commitments under non-cancellable operating leases as follows:

	Other £
Leases expiring between two and five years inclusive	61,000

20. PRIOR YEAR ADJUSTMENT

In accordance with Financial Reporting Standard No. 12 'Provision, contingent liabilities and contingent assets' the College has changed its accounting policy in respect of provisions for planned maintenance, as outlined in note 1. As a result of these changes a prior year adjustment has been made to release the £245,577 opening provision for planned maintenance at 31 July 1997 to the income and expenditure reserve. Estates Refurbishment Costs of £39,503 originally set against the provision in 1997/98 have been charged to 'Other Operating Expenses'.

Further Estates Refurbishment Costs of £95,232 which, under the previous accounting policy, would have been credited against the provision, have during 1998/99 been charged to 'Other Operating Expenses'.


NOTES TO THE ACCOUNTS
Year ended 31 July 1999
**21. RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING
ACTIVITIES**

	Consolidated	
	1999	1998
	£	£
Surplus for the period	149,882	37,390
Movement in provision for pensions	77,029	44,783
Movement in provision for maintenance	-	(39,503)
Depreciation and loss on disposals	149,360	198,698
Amortisation of grants	(18,626)	(60,792)
(Increase)/decrease in stock	(18,208)	54,062
Increase in debtors	(8,348)	(3,730,744)
(Decrease)/increase in creditors	(36,176)	153,481
Interest paid	258,326	5,728
Interest received	(30,206)	(43,776)
	<u>523,033</u>	<u>(3,380,673)</u>

22. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	1999	1998
	£	£
Increase in cash	(93,526)	95,397
Cashflow from decrease/(increase) in debt	<u>172,128</u>	<u>(3,554,359)</u>
Decrease/(increase) in net debt	78,602	(3,458,962)
Net debt at 1 August	<u>3,159,492</u>	<u>299,470</u>
Net debt at 31 July	<u>3,080,980</u>	<u>3,159,492</u>

23. ANALYSIS OF NET DEBT

	31 July 1997	Change in year	31 July 1998	Change in year	31 July 1999
	£	£	£	£	£
Cash at bank and in hand	417,601	95,397	583,792	(164,320)	419,472
Bank overdraft	-	-	(70,794)	70,794	-
	<u>417,601</u>	<u>95,397</u>	<u>512,998</u>	<u>(93,526)</u>	<u>419,472</u>
Debt due within one year	(114,951)	17,852	(97,099)	(72,901)	(170,000)
Debt due after one year	(3,180)	(3,572,301)	(3,575,481)	245,029	(3,330,452)
	<u>(118,131)</u>	<u>(3,554,449)</u>	<u>(3,672,580)</u>	<u>172,128</u>	<u>(3,500,452)</u>
	<u>299,470</u>	<u>(3,459,052)</u>	<u>(3,159,582)</u>	<u>78,602</u>	<u>(3,080,980)</u>