

**TRINITY UNIVERSITY COLLEGE**

**Formerly Trinity College Carmarthen  
Foundation.  
(Limited by Guarantee)**

**Financial Statements**

**31 July 2011**

**Mazars LLP  
Bristol**





**REPORT AND FINANCIAL STATEMENTS 2011**

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**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

Professor M Hughes  
The Venerable A J Randolph Thomas  
Mr A Jenkins  
Revd Canon Dr Keith Denison – resigned 1<sup>st</sup> September 2011  
Mrs Penny Ryan – resigned 31<sup>st</sup> December 2010  
Dr Ann Rhys  
Sian Wyn Siencyn  
Mr Ceredig Emmanuel  
Ms Sally Wilkinson  
Mr Rhys David Parry, Student President resigned 31<sup>st</sup> July 2010  
Mr Ricky Miller, Student President from 24<sup>th</sup> November 2011  
Mr Mark James  
Mr Lewis Evans  
Ms Maria Jones

**SECRETARY**

Mr Ray Selby

**REGISTERED OFFICE/PRINCIPAL ADDRESS**

Trinity College  
College Road  
Carmarthen  
SA31 3EP

**REGISTERED CHARITY NUMBER**

1048771

**BANKERS**

Barclays Bank Plc

**INTERNAL AUDITORS**

PricewaterhouseCoopers LLP  
One Kingsway  
Cardiff  
CF10 3PW

**EXTERNAL AUDITORS**

Mazars LLP  
Clifton Down House  
Beaufort Buildings  
Clifton  
Bristol  
BS8 4AN

**TRINITY UNIVERSITY COLLEGE**  
**Formerly Trinity College Carmarthen Foundation**  
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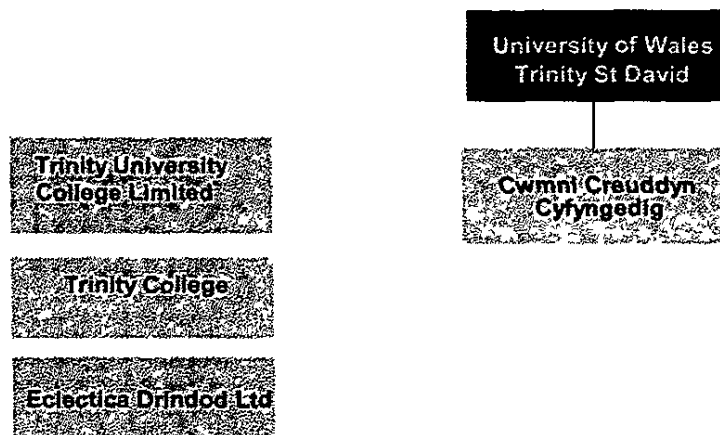
## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 July 2011

### **INCORPORATION**

The Trinity College Carmarthen Foundation (incorporated under the Further and Higher Education Act 1992) 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 (Registration 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.

During the year TCCF Ltd became part of the University of Wales Trinity Saint David and changed its name to Trinity University College in November 2011. The legal structure of the overarching University is provided below.



**University of Wales: Trinity Saint David (UWTSD)** – this is the former University of Wales Lampeter (UWL) and is the principal entity for all ‘university’ activities (including degree awarding powers). It employs all former UWL staff and all staff recruited since the merger with Trinity University College, Carmarthen. It owns the assets of the former UWL and the majority of the assets and liabilities relating to UWTSD’s ongoing activities.

**Cwmni Creuddyn Cyfyngedig** – this is a dormant trading subsidiary of UWTSD.

**Trinity University College Limited (‘TUC’)** – before the merger, this was the former holding company of Trinity University College Carmarthen (TUCC). This company still employs all former TUCC staff and the running of this payroll is the only activity of this entity. TUC is deemed to be controlled by UWTSD as UWTSD appoints the directors of the company.

**Trinity College** – prior to the merger this was the education charity which incorporated the original endowment, and the assets of both land and buildings together with any charitable monies which have accrued to the charity. This entity retains ownership of these endowments and the property assets of the former TUCC. It also continues to pay some bursaries. There is no direct ownership link between UWTSD and Trinity College Charity. However, it is deemed to be controlled by UWTSD by virtue of the fact TUC is the sole trustee.

**Eclectica Drindod Ltd** – is a private company limited by guarantee with no share capital. It was initiated to undertake a role that more effectively delivers Third Mission activity for Trinity College Charity. There is no direct ownership link between UWTSD and Eclectica Drindod Ltd. However, it is deemed to be controlled by UWTSD by virtue of the fact it has the power to appoint directors.



## **DIRECTORS' REPORT**

### **Organisational Structure, decision making and strategy development**

The organisational structure of the overarching University is shown in Figure 2

Strategic planning is the part of the strategic management process which is concerned with identifying the overarching University's long term direction. It is a continuous, cyclical activity with the following phases: development, refinement, implementation, review and evaluation.

The internal process of strategic planning leads to a number of outputs, including:

- a long-term strategic or corporate plan covering a period of three to five years which identifies the overall strategy and sets out the short and long term objectives,
- an operating statement which articulates specific actions to be undertaken in the year ahead,
- an action plan setting a timescale and identifying responsibilities for undertaking the actions highlighted in the operating statement.

The plan provides the opportunity to celebrate achievement and identifies clearly its contribution to local, regional and national agendas. The formulation of the plan is a transparent and open process with a final document that is clear and unequivocal in direction, with objectives that are specific, measurable, achievable, relevant, and time-bound.

#### **Executive Level**

The integrated process of institutional planning is a holistic one, with each of the strategies being considered as part of the same institutional strategy development. As a result of the process, a set of coherent, institutional actions are set in place that are mutually supportive and contribute effectively to achievement of the University mission.

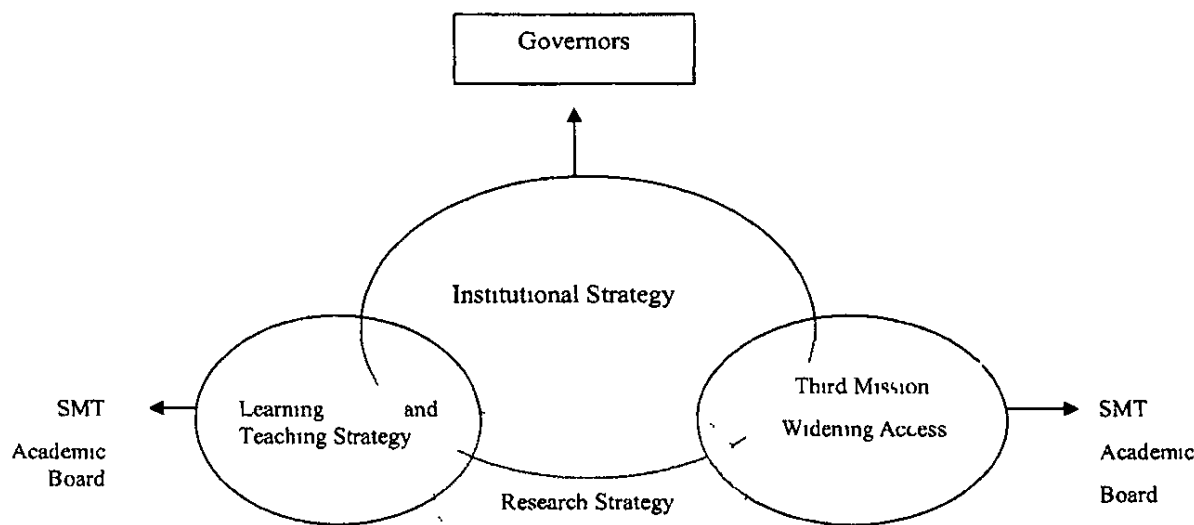


Figure 2 Executive level strategy management

The University has a highly formal means of decision making. Strategy is developed within the senior management team following consultation at head of school and unit level – the annual strategic plan is approved

by the full University Council. Operational decision making is made by senior management according to norms established within job descriptions.

Governance of the University is undertaken by University Council, which has distinct committees engaged in finance and strategic planning, audit, estates and network services, human resources, nominations and senior staff remuneration. Members of Council serve on certain University committees in an advisory and observer role.

## **DIRECTORS' REPORT**

### **OPERATING AND FINANCIAL REVIEW**

#### **Scope of the Financial Statements**

The accounts of Trinity University College Ltd comprise the following elements

Trinity University College Limited ("the Company")  
Farm Account (division of the Company)

The Company Account is the Income and Expenditure Revenue Account which, since the creation of the University of Wales Trinity Saint David, mainly covers staffing employed by TUC. Upon merger The Trinity University College Limited activities, excluding staffing, were transferred to University of Wales Trinity Saint David.

#### **Principles Underlying the Operating and Financial Review**

The objectives of Trinity University College Ltd are in full alignment with the new University – the University of Wales Trinity Saint David that has been established during November 2010.

Within the context of Wales, University of Wales Trinity Saint David has had a distinct role to play within higher education. Its mission, educational character and academic portfolio attest to its strategic importance in furthering bilingualism and supporting the enhancement of the Welsh language and culture.

As a community university, the institution has been acutely aware of its role as a key agent for lifelong learning. The current strategic plan confirms the role of the institution as it develops a range of strategies to support various Welsh Government policies. In doing so, it articulates the core *raison d'être* of the institution as a community University institution, that makes an effective contribution to the economic, social, cultural and spiritual prosperity of Wales. The confidence of the institution in its academic provision and its strategic relevance for Wales is based upon an evolving programme of change, ever refining the purpose and significance of its educational provision. The University's vision is to develop a high quality, distinctive higher education provision. Both teaching and research will be of national significance, attracting students and staff as a result of the acknowledged expertise within subject areas. Programmes at undergraduate and postgraduate level will be responsive to and reflective of current specialist areas of cultural and professional development in West Wales.

#### **Public Benefit**

In setting and reviewing the University's objectives and activities, the Directors had due regard to the Charity Commission's guidance on the reporting of public benefit and particularly to its supplementary public benefit guidance on the advancement of education. This statement has been included in anticipation of a formal reporting requirement likely to be introduced by The Charity Commission as the principal regulator of Welsh higher education institutions under the Charities Act 2006.

The objects of the new University are in full alignment with its Charter:

"to advance learning and knowledge by teaching and research, and, by the example and influence of its bilingual corporate life and Anglican Christian tradition as well as by its academic work, to enable students to obtain the advantages of University education, and to engage in activities to promote and contribute to spiritual, cultural, social, environmental and economic development within Wales and beyond"

TUC Ltd's key activities, by virtue of the fact that UW TSD is its sole member, are fully aligned to those of the new University.

## **DIRECTORS' REPORT**

The University's Mission Statement is

*"excellence in education – delivered with distinction"*

The priority aims for the University are to be an institution

- which delivers high quality higher education and research and contributes to the economic, social and cultural prosperity of its region and the UK more broadly through offering a distinctive and progressive portfolio of strong academic activity,
- which is regarded as a hub for the development of higher level skills and workforce re-skilling within south west and mid-Wales,
- which has a clear international profile as it develops international excellence in research and teaching networks,
- that is committed to the bilingual agenda, and
- that celebrates its strong and vibrant academic and cultural heritage

### **Key Activities**

Future activities are focused on the following areas

#### *Achieving excellence in learning & teaching*

Providing distinctive, relevant research, learning, and employment led opportunities that are based upon academic excellence

#### *Achieving excellence in research*

To be recognised as a research centred university that offers added value across a specific range of subject areas

#### *Providing a high quality student experience*

To be recognised as a student centred university that offers high quality educational experiences

#### *Investing in its Staff*

Providing an environment where staff are valued and their professional and personal development is supported

#### *Establishing an international profile*

Providing a distinctive international character to the University through the establishment of a range of strategic partnerships in the UK and overseas

#### *Developing the Knowledge Economy*

To be recognised as a regional university that offers a distinctive range of professional skills that enhances innovation and promotes the knowledge based economy

#### *Promoting social justice, inclusion and access*

To be recognised as a distinctive university that offers relevant opportunities to promote social justice, inclusion and access

#### *Promoting bilingualism and cultural distinctiveness*

To be recognised as a national university of Wales offering bilingual opportunities to celebrate linguistic and cultural distinctiveness

#### *Promoting regionalism and institutional sustainability*

To establish a regional Higher Education confederation in South West Wales that delivers a sustainable future for the provision of higher education through Trinity Saint David

The organisation delivers high quality education and training to over 4,000 full and part-time students following a range of academic and vocational programmes. There is quantifiable benefit to the learning community of west Wales and beyond, with a substantial input to the cultural, economic and social development of the area.

Learners are eligible to receive financial support from the organisation to assist them fulfil the requirements of the learning programmes, including hardship funds, scholarships, bursaries, internships and support for creche provision.

## **DIRECTORS' REPORT**

Many students undertake voluntary work within the communities, enhancing both the student experience and valuable support to those organisations

Support is provided to a range of cultural and community organisations through a range of activity – the sporting facilities, including sports centre, playing fields and swimming pool are open to the community. The institution organises cultural events throughout the year, the major festival - Gwyl y Drindod is the annual festival that is now recognised as a major cultural event in Wales, providing additional opportunities for young people and enhancing the artistic life of a number of communities

### **Achievements during 2010-11**

In establishing the key priorities for the future, the University is mindful of the significant progress that has been achieved during the last academic year, as the following exemplify

- Establishment of a new University
- Increasing the level of Welsh medium and bilingual provision
- Providing additional support for students through bursaries, scholarships and internships
- Extending widening access provision
- Increasing the level of income derived through project development
- The University of Wales Trinity Saint David further agreed unanimously to merge with the University of Wales and Swansea Metropolitan University to create a new national higher education system that will transform the planning and delivery of higher and further education in Wales
- Announced a new institute for sustainability – INSPIRE
- Launched the University of Wales Trinity Saint David International Academy of Voice led by Dennis O'Neill
- Launched the new South West Wales Centre of Teacher Education in partnership with Swansea Metropolitan University

### **Financial Health**

Income to fund activities undertaken by Trinity University College is provided fully through its sole member, the University of Wales Trinity Saint David

### **End of Year Position**

The financial statements are produced in accordance with the Statement of Recommended Practice (SORP) on Accounting for Further and Higher Education

The annual financial statements of Trinity University College Ltd and its subsidiary companies for the year to 31 July 2011 show a relatively sound trading position with an operating surplus of £317,037

### **Income and Expenditure**

The TUC Ltd Income and Expenditure Account for 2010/11 is summarised as follows

	2010/11	2009/10
	£k	£k
Income	11,272	15,927
Expenditure	10,955	15,484
Operating Surplus	317	443

### **Balance Sheets**

The net value of the University's liabilities stands at £3,363m, an increase of £2,618k over the previous year.

## **DIRECTORS' REPORT**

### **Investment Performance and Cash Flow**

Cash balances are administered in accordance with the Treasury Management Policy. The College's short term deposits are managed by Tradition UK Ltd, the performance of which is monitored by the Finance & Strategic Planning Committee. At 31 July 2011, the University held short term deposits and cash of £401k.

### **Particular Matters of Disclosure**

**Eclectica Drindod Ltd**

Eclectica has been established as a private company limited by guarantee, with no share capital.

The company has a board of directors with an independent chair. The objects of the company are to

- support the Learning and Teaching and Third Mission activities of The University,
- enhance the University estate through collaborative initiatives with local and national bodies,
- develop and further the careers of graduates, by assisting them in the creation of new and innovative enterprise activities, particularly in the cultural, community and social context,
- provide a mechanism for engaging with public bodies and voluntary organisations to initiate culturally orientated activities, education and training provision, including conferences, events, festivals and concerts and
- undertake such activity as is beneficial to the aims and activities of the University.

Eclectica is responsible for managing 'Y Llwyfan' and will have a key role in developing the new campus and attracting appropriate partners and clients to ensure viability and sustainability.

### **Payment of Creditors**

The University's payment policy requires the University to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is the later.

### **Employees**

The University is explicit in its commitment to further best practice in corporate governance and establish effective structures to support human capital within the institution. It aims to retain and develop staff that are well-informed and enjoy high morale, job satisfaction and a culture of commitment and engagement with the University's mission whilst meeting the needs of a changing institution and a changing curriculum.

### **Environmental Impact**

Sustainability will be at the heart of how we do business. The overarching University believes that environmental sustainability is the foundation of wider economic and social sustainability and is an integral part of good institutional practice. We have a duty to satisfy ourselves that all our operations and activities are conducted with proper regard to the environment. During the year the University of Wales Trinity Saint David announced that its new institute for sustainability - INSPIRE (Institute for Sustainable Practice, Innovation and Resource Efficiency) - will be led by Jane Davidson in partnership with Peter Davies (Commissioner for Sustainable Futures in Wales) who is already a Professor of Professional Practice at the University.

INSPIRE will support embedding sustainability within the University's curriculum at all levels as well as engaging with the widest number of organisations to develop sustainable practice across all sectors in Wales and further afield.

### **Risks and Uncertainties**

The process of risk management has now been fully integrated with strategic planning. Institutional risks and contingencies are identified at the beginning of the academic year. The consultation process for defining the strategic plan has incorporated an identification of key risks in academic and support areas. These have then been incorporated in the University risk register and approved by the Audit & Risk Management Committee. The process has been fully evaluated and become a formal part of the institutional planning process.

This risk and contingency management policy forms part of the University's internal control and corporate governance arrangements. The policy explains the institution's underlying approach to risk management, documents the roles and responsibilities of the board of governors, the senior management team, and other key parties. It also outlines key aspects of the risk management process, and identifies the main reporting procedures. In addition, it describes the process the board of governors will use to evaluate the effectiveness of the institution's internal control.



## **DIRECTORS' REPORT**

procedures A contingency element has been included in the risk register to address potential, major incidents or issues that although unlikely, could create severe difficulties for the institution

### **Conclusion**

The financial challenges of 2010/11 are likely to continue into 2011/12 given the dynamic changes in economic stability and future levels of public sector funding Significant progress has already been made in developing robust management structures for the new University which will build upon a healthy financial position to meet its future challenges

### **DIRECTORS**

The membership of the Board is set out at page 1

### **EMPLOYMENT OF DISABLED PERSONS**

The University has a policy of employing disabled individuals in suitable posts and for making arrangements whenever possible to encourage employees who develop a disability to continue working for the institution

### **AUDITORS**

A resolution to re-appoint Mazars LLP as auditors to the company will be proposed at the Annual General Meeting

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

Professor M Hughes

Director

Date

  
M. HUGHES



## **CORPORATE GOVERNANCE STATEMENT**

The College is committed to exhibiting best practice in all aspects of corporate governance. This summary describes the manner in which the College has applied the principles set out in Section 1 of the Combined Code on Corporate Governance issued by the London Stock Exchange in June 1998. Its purpose is to help the reader of the financial statements understand how the principles have been applied.

The College's Governing Body comprises lay members, employees and a student representative. The roles of Chairman and Vice-Chairman of the Governing Body are separated from the role of the College's Chief Executive, the Vice-Chancellor. The matters specially reserved to the Council for decision are set out in the Articles of Government of the College. The Governing Body holds the responsibilities for the ongoing strategic direction of the College, approval of major developments and the receipt of regular reports from Executive Officers on the day-to-day operations of its business and its subsidiary company.

The College Council considers that, throughout the year ended 31 July 2011, the College has been in compliance with all the provisions set out in Section 1 of the Combined Code on Corporate Governance insofar as they relate to Colleges. The College also complies with the Guide for Members of Governing Bodies of Universities and Colleges in England and Wales that was issued by the Committee of University Chairmen in 1998.

The College Council is of the view that appropriate processes are applied for identifying, evaluating and managing the significant risks which relate to the institution, and that these processes are being continually refined and developed in terms of their scope and sensitivity. The overall processes are designed to manage rather than eliminate the risk of failure to achieve business objectives and it is recognised that they can provide reasonable but not absolute assurances.

The approach to risk management includes the systematic identification of key risks and of appropriate institutional responses to these, with continual review arrangements also being in place. The risk register is reviewed regularly by the senior management team and reported to the Council.

The Council, which meets at least four times a year, exercises its responsibilities through the executive management and several committees. The principal committees which reported to Council during the year 2010/11 are -

- **Finance & Strategic Planning Committee**  
The Finance & Strategic Planning Committee reports to the Council as to the financial affairs of the College and monitors performance in particular with regard to the allocation of funds, budgets, long term forecasts and the Annual Financial Report.
- **Corporate Governance & Nominations**  
The Nominations Committee considers nominations for vacancies in the Council membership, Committee membership and lay officers.
- **Senior Remuneration**  
The Senior Remuneration Committee determines the annual remuneration of the Vice-Chancellor, Professors and Grade VI administrative staff.
- **Audit & Risk Management**  
The Audit & Risk Management Committee meets at least three times a year, once with the external auditors to discuss the audit findings and to review the College's financial statements and accounting policies, and at every meeting with the internal auditors to consider the review of internal control systems and to address recommendations for the improvement of such systems.

All of these committees are formally constituted with terms of reference and a membership which, includes lay members of Council. The Committees are chaired by a lay member of Council, and in the case of the Audit & Risk Management Committee, all the members are independent of the management, although senior executives attend meetings as necessary.

The University maintains a Register of Interests of members of the Council and of members of the senior executive which may be consulted by arrangement with the Clerk to the Council.

The Vice-Chancellor, as chief executive officer, is the head of the College who has a responsibility to the Council for the organisation, direction and management of the College. Under the terms of the formal Financial Memorandum

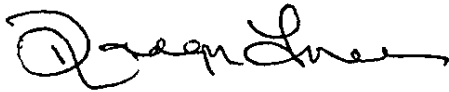
**TRINITY UNIVERSITY COLLEGE**  
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**CORPORATE GOVERNANCE STATEMENT**

between the University and the Higher Education Funding Council for Wales, the Vice-Chancellor is also the designated officer

As chief executive, the Vice-Chancellor exercises considerable influence upon the development of strategy, the identification and planning of new developments and the shaping of the College ethos. Members of the Executive Team - the Pro Vice-Chancellors, Heads of Support Units and the Deans of Faculty all contribute in various ways to this aspect of the work but the ultimate responsibility for what is done rests with the Vice-Chancellor. In this respect the Vice-Chancellor reports to the Council.

Chair of Governors



Date MARIA JONES

Vice Chancellor



Date

M. HUGHES



## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

United Kingdom 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 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,
- state whether applicable accounting standards have been followed, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The key elements of the College's system of internal financial control, which is designed to discharge the responsibilities set out above, include the following:

- clear definitions of the responsibilities of, and the authority delegated to, heads of academic and administrative departments,
- a comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets,
- regular reviews of key performance indicators and business risks, and quarterly reviews of financial results involving variance reporting and updates of forecast outturns,
- clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the Governing Body,
- comprehensive Financial Regulations, detailing financial controls and procedures, approved by the Audit & Risk Management Committee and Finance & Strategic Planning Committee,
- a professional internal audit team whose annual programme is approved by the Audit & Risk Management Committee and endorsed by the Governing Body and whose head provides the Governing Body with a report on internal audit activity within the College and an opinion on the adequacy and effectiveness of the College's system of internal control, including internal financial control.

It is recognised that any system of internal financial control can, however, only provide reasonable, but not absolute, assurance against material misstatement or loss.

So far as each of the directors at the time the report is approved are aware there is no relevant audit information of which the auditors are unaware and the directors have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
TRINITY UNIVERSITY COLLEGE LIMITED  
(Limited by Guarantee)**

We have audited the financial statements for the year ended 31 July 2011 which comprise the income and expenditure account, the balance sheet, the College's balance sheet, the cash flow statement, the statement of total recognised gains and losses and the related notes. These financial statements have been prepared under the historical cost convention include as required - as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

This report is made solely to the College's Governing body. Our audit work has been undertaken so that we might state to the College's governors 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 College and the College's governors as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective Responsibilities of the members and Auditors**

As described in the Statement of Corporate Governance, the Governing body is responsible for the preparation of financial statements in accordance with the Accounts Direction issued by the Higher Education Funding Council for Wales, the Statement of Recommended Practice – Accounting for Further and Higher Education Institutions, applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements, International Standards of Auditing (UK and Ireland) and the Audit Code of Practice issued by the Higher Education Funding Council for Wales.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education Institutions. We also report to you whether in our opinion, income from funding bodies, grants and income for specific purposes and from other restricted funds administered by the College, have been properly applied in all material respects for the purposes for which they were received, and whether income has been applied in all material respects in accordance with the College's statutes and where appropriate with the Financial Memorandum dated June 2000 with the Higher Education Funding Council for Wales and with the Funding Agreement with the Teacher Training Agency.

We also report to you if, in our opinion, the College has not kept proper accounting records, the accounting records do not agree with the financial statements, or if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Financial Statements and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises the Report of the Treasurer and the Statement of Corporate Governance. Our responsibilities do not extend to any other information.

**Basis of Audit Opinion**

We conducted our audit in accordance with International Standards of Auditing (UK and Ireland) and the Audit Code of Practice issued by the Higher Education Funding Council for Wales. 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 Governing body in the preparation of the financial statements, and of whether the accounting policies are appropriate to the College'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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**  
**TRINITY COLLEGE COLLEGE LIMITED**  
**(Limited by Guarantee) (continued)**

**Opinion**

In our opinion

- i) the financial statements give a true and fair view of the state of affairs of the College at 31 July 2011, and of the surplus of income over expenditure, recognised gains and losses and cash flows for the year then ended and have been properly prepared in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education Institutions,
- ii) in all material respects, income from the Higher Education Funding Council for Wales, the Learning & Skills Council and the Teacher Training Agency, grants and income for specific purposes and from other restricted funds administered by the College have been applied for the purposes for which they were received,
- iii) in all material respects, income has been applied in accordance with the College's statutes and where appropriate in accordance with the Financial Memorandum dated June 2000 with the Higher Education Funding Council for Wales and with the Funding Agreement with the Teacher Training Agency covering the period 1 August 2010 to 31 July 2011



Mazars LLP

Chartered Accountants  
and Registered Auditors  
Bristol

Date 26/4/12

**TRINITY UNIVERSITY COLLEGE**  
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**INCOME AND EXPENDITURE ACCOUNT**  
**Year ended 31 July 2011**

	Note	2011 £	2010 £
<b>INCOME</b>			
Funding Council grants	2	-	7,506,419
Tuition fees	3	-	4,354,913
Research Grants & contracts	4	-	-
Other operating income	5	11,271,571	4,048,910
Investment income	6	-	16,765
<b>Total income</b>		<u>11,271,571</u>	<u>15,927,007</u>
<b>EXPENDITURE</b>			
Staff costs	7	10,954,514	9,563,427
Other operating charges	8	20	5,565,607
Interest payable	9	-	17,094
Depreciation		-	337,542
<b>Total expenditure</b>		<u>10,954,534</u>	<u>(15,483,670)</u>
<b>Net surplus</b>		<u>317,037</u>	<u>443,337</u>

The notes on pages 19 to 35 form part of these accounts

There were no recognised gains and losses other than those included in the income and expenditure account

Income and expenditure account is in respect of continuing activities

**RECONCILIATION OF MOVEMENT IN RESERVES**  
**Year ended 31 July 2011**

	2011 £	2010 £
<b>Reconciliation</b>		
Opening reserves and endowments	(745,127)	(2,718,101)
Transfer of reserves on merger	(3,856,873)	0
Net addition	<u>1,528,037</u>	<u>1,972,974</u>
Closing reserves and endowments	<u>(3,073,963)</u>	<u>(745,127)</u>

**TRINITY UNIVERSITY COLLEGE**  
**Formerly Trinity College Carmarthen Foundation**  
**(Limited by Guarantee)**

**SUMMARY INCOME AND EXPENDITURE ACCOUNT**  
**Year ended 31 July 2010**

	2011 £	2010 £
Total income of continuing operations	11,271,571	15,927,007
Total expenditure of continuing operations	(10,954,534)	(15,483,670)
Net (deficit)/surplus for the year	<u>317,037</u>	<u>443,337</u>

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 14 which, together with the notes to the accounts on pages 18 to 33, provide full information on the movements during the year on all the funds of the company

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**Year ended 31 July 2011**

	2011 £	2010 £
Profit/(loss) for the financial year	317,037	443,337
Actuarial (loss)/gain on pension scheme	<u>1,211,000</u>	<u>787,000</u>
<b>TOTAL RECOGNISED GAINS RELATING TO THE YEAR</b>	<u>1,528,037</u>	<u>1,230,337</u>
<b>TOTAL GAINS AND LOSSES RECOGNISED SINCE THE LAST ACCOUNTING PERIOD</b>	<u><u>1,528,037</u></u>	<u><u>1,230,337</u></u>


**TRINITY UNIVERSITY COLLEGE**  
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**BALANCE SHEET**  
**31 July 2011**

	Note	2011 £	2010 £
<b>FIXED ASSETS</b>			
Tangible assets	11	-	2,602,280
Investments	12	-	1,100
		<u>-</u>	<u>2,603,380</u>
<b>CURRENT ASSETS</b>			
Stocks	13	-	41,272
Debtors	14	831,420	5,403,976
Cash at bank and in hand		400,675	8,298,633
		<u>1,232,095</u>	<u>13,743,881</u>
<b>CREDITORS. amounts falling due within one year</b>	15	(487,522)	(10,322,019)
<b>NET CURRENT ASSETS</b>		<u>744,573</u>	<u>3,421,862</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		744,573	6,025,242
<b>CREDITORS: amounts falling due after more than one year</b>	16	-	(895,211)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	18	(138,536)	(1,273,158)
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>		606,037	3,856,873
Pension liability		(3,680,000)	(4,602,000)
<b>NET ASSETS/(LIABILITY) INCLUDING PENSION LIABILITY</b>		<u>(3,073,963)</u>	<u>(745,127)</u>
 Deferred capital grants	19	 <u>-</u>	 <u>1,253,145</u>
<b>RESERVES</b>			
Income and expenditure account	20	606,037	2,603,728
Pension reserve	20&30	(3,680,000)	(4,602,000)
		<u>(3,073,963)</u>	<u>(745,127)</u>

These financial statements were approved and authorised by the Board of Directors on

Signed on behalf of the Board of Directors

  
Professor M Hughes

Vice Chancellor

  
Member

C. EMMAUEL

**TRINITY UNIVERSITY COLLEGE**  
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**CASH FLOW STATEMENT**  
**31 July 2011**

	Note	2011 £	2010 £
Net cash inflow from operating activities	21	400,675	7,966,061
Returns on investments and servicing of finance	24	-	(329)
Capital expenditure and financial investment	25	-	(146,305)
		<hr/> 400,675	<hr/> 7,819,427
Financing activities	26	-	(308,157)
		<hr/> 400,675	<hr/> 7,511,270
Increase in cash in the year	22	<hr/> <hr/> 400,675	<hr/> <hr/> 7,511,270

**NOTES TO THE ACCOUNTS**  
**Year ended 31 July 2011**

**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements are prepared in accordance with the Statement of Recommended Practice "Accounting in Further and Higher Education Institutions" approved by the Accounting Standards Board and with the requirements of the Companies Act 2006

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

**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

**Investments**

Fixed asset investments are carried at historical cost less any provision for impairment in their value

**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 carrying value of the assets is considered on a regular basis. The specific rates applied are as follows

i)	Freehold land	nil
ii)	Buildings	2-5%
iii)	Refurbishment	5%
iv)	Motor Vehicles	25%
v)	Equipment, fixture and fittings	10-33 1/3%

**Pensions**

College academic staff are members of the Teachers' Pension Agency or the Universities Superannuation Scheme. The College contributed 14.1% of academic employees' gross pay for TPA and 16% for USS. 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 Dyfed Pension Fund. The College contributed 15.3% of their gross pay. 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.

**Leases**

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

**TRINITY UNIVERSITY COLLEGE**  
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**NOTES TO THE ACCOUNTS**  
**Year ended 31 July 2011**

**ACCOUNTING POLICIES (continued)**

**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

	2011 £	2010 £
<b>2. FUNDING COUNCIL GRANTS</b>		
HEFCW Recurrent Grants	-	5,743,279
HEFCW Specific Grants	-	1,496,827
Release from Deferred Grants	-	160,461
FEFCW Recurrent grants	-	105,852
	<u>-</u>	<u>7,506,419</u>
<b>3. TUITION FEES</b>		
Full Time Students(UK and EU)	-	3,986,205
Full Time Students(Non EU)	-	197,983
Part Time Students	-	170,725
	<u>-</u>	<u>4,354,913</u>
<b>4. RESEARCH GRANTS AND CONTRACTS</b>		
Research Councils	-	-
UK Based Charities	-	-
	<u>-</u>	<u>-</u>
<b>5. OTHER OPERATING INCOME</b>		
Catering and residence operations	-	2,126,123
EU Grants	-	152,753
Other income generating activities	11,271,571	1,346,274
	<u>11,271,571</u>	<u>3,625,150</u>

The other income generating activities represents transfer of grants from UW TSD to TUC to facilitate the payment of staff

**TRINITY UNIVERSITY COLLEGE**  
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**NOTES TO THE ACCOUNTS**  
**Year ended 31 July 2011**

	2011 £	2010 £
<b>6. INVESTMENT INCOME</b>		
Bank and other interest received	-	16,765
	<u>-</u>	<u>16,765</u>
<b>7. STAFF NUMBERS AND COSTS</b>		
<b>The average monthly number of persons employed by the College during the year was</b>	<b>No.</b>	<b>No.</b>
Teaching departments	159	163
Teaching support departments	16	16
Other support services	8	11
Administration and central services	102	93
Premises	20	20
Catering and residence	43	47
	<u>348</u>	<u>350</u>
	<b>£</b>	<b>£</b>
<b>Staff costs for the above persons</b>		
Teaching departments	5,622,020	4,676,613
Teaching support services	305,182	291,681
Other teaching support services	344,524	354,675
Administration and central services	3,075,014	2,996,749
Premises	497,566	524,555
Catering and residence	598,432	550,599
Redundancy costs	222,776	69,855
Pension Interest	-	(19,738)
Contributions received FRS17	(521,000)	(448,000)
Current service cost	618,000	561,000
Net interest/Return on assets	192,000	314,000
	<u>10,954,514</u>	<u>9,871,989</u>
	<b>£</b>	<b>£</b>
Wages and salaries	8,661,170	7,947,378
Social security costs	681,067	609,990
Other pension costs	1,389,501	1,244,766
Redundancy costs	222,776	69,855
	<u>10,954,514</u>	<u>9,871,989</u>
	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Emoluments of vice Chancellor</b>		
Salary	167,000	154,850
Benefits in kind	13,850	13,850
	<u>180,850</u>	<u>168,700</u>
<b>Pension Contributions</b>	<u>25,500</u>	<u>23,787</u>

**TRINITY UNIVERSITY COLLEGE**  
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**NOTES TO THE ACCOUNTS**  
**Year ended 31 July 2011**

**7. STAFF NUMBERS AND COSTS (continued)**

Remuneration of other higher paid staff, excluding employer's pension contributions

			<b>2011</b>	<b>2010</b>
			<b>No.</b>	<b>No.</b>
£100,000	-	£109,999	-	-
£110,000	-	£119,999	1	2
£120,000	-	£129,999	-	-
£130,000	and above		-	-

**REMUNERATION OF MEMBERS OF THE GOVERNING BODY**

Members of the governing body did not receive any payments other than reimbursement of travel and subsistence expenses incurred in the course of their duties

**TRINITY UNIVERSITY COLLEGE**  
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**NOTES TO THE ACCOUNTS**  
**Year ended 31 July 2011**

**8. OTHER OPERATING CHARGES**

	2011 £	2010 £
Teaching departments	-	1,062,290
Teaching support services	-	177,462
Other Teaching support services	-	47,161
Administration and central services	20	2,423,254
Premises	-	790,850
Catering and residence	-	630,234
Auditors Remuneration - External	-	21,138
Auditors Remuneration - Internal	-	23,387
Auditors Remuneration - Other Services	-	-
	<u>20</u>	<u>5,175,776</u>

**9 INTEREST PAYABLE**

	2011 £	2010 £
On bank loans, overdrafts and other loans		
Repayable after five years	<u>-</u>	<u>17,094</u>

**10. 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 the year

**TRINITY UNIVERSITY COLLEGE**  
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**NOTES TO THE ACCOUNTS**  
**Year ended 31 July 2011**

**11. TANGIBLE FIXED ASSETS**

	Motor vehicles £	Equipment, fixtures and fittings £	Freehold land and buildings £	Total £
<b>Cost</b>				
At 1 August 2010	43,958	3,277,921	2,682,663	6,004,542
Transfer on merger	(43,958)	(3,277,921)	(2,682,663)	(6,004,542)
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>At 31 July 2011</b>				
<b>Accumulated depreciation</b>				
At 1 August 2010	41,317	2,789,578	571,367	3,402,262
Transfer on Merger	(41,317)	(2,789,578)	(571,367)	(3,402,262)
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>At 31 July 2011</b>				
<b>Net book value</b>				
At 31 July 2011	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>At 31 July 2010</b>	<u>2,641</u>	<u>488,343</u>	<u>2,111,296</u>	<u>2,602,280</u>

**12. INVESTMENTS**

	2011 £	2010 £
1,000 ordinary £1 shares – Trinity College Library & Ancillary Services (Carmarthen) Limited	-	1,000
100 ordinary £1 shares – Welsh Networking Limited	<u>100</u>	<u>100</u>
	<u>100</u>	<u>1,100</u>

**TRINITY UNIVERSITY COLLEGE**  
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**NOTES TO THE ACCOUNTS**  
**Year ended 31 July 2011**

**13. STOCKS**

	2011 £	2010 £
Stocks and Stores	-	41,272
	<u>-</u>	<u>41,272</u>

**14 DEBTORS**

	2011 £	2010 £
<b>Due within one year</b>		
Debtors for goods and services	1,822	353,140
Prepaid expenditure	-	1,200,154
University of Wales Trinity Saint David	829,598	-
	<u>831,420</u>	<u>1,553,294</u>
<b>Due after one year</b>		
Trinity College	-	3,850,682
	<u>831,420</u>	<u>5,403,976</u>

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2011 £	2010 £
Bank overdraft	-	-
Bank loan (note 16)	-	312,572
Creditors for goods and services	86,842	1,068,066
Student indemnity bonds	-	67,500
Other creditors including tax and social security	400,680	408,895
Accruals and deferred income	-	8,441,289
Trinity College	-	23,697
	<u>487,522</u>	<u>10,322,019</u>

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**NOTES TO THE ACCOUNTS**  
**Year ended 31 July 2011**

**16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2011 £	2010 £
Bank loan	-	895,211

As a result of the merger with University of Wales Lampeter, the loan has been transferred to the new institution, University of Wales Trinity Saint David

Bank loans are repayable as follows

	2011 £	2010 £
<b>Due within</b>		
One year	-	312,572
<b>After one year</b>		
One to two years	-	316,479
Two to five years	-	578,732
After five years	-	-
	-	895,211
<b>Total</b>	-	1,207,783

**17. OPERATING LEASES**

	2011 £	2010 £
In One Year or less	-	8,995
Between Two and Five Years	-	24,287
In Five Years or More	-	-
	-	33,282

**TRINITY UNIVERSITY COLLEGE**  
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**NOTES TO THE ACCOUNTS**  
**Year ended 31 July 2011**

**18. PROVISIONS FOR LIABILITIES AND CHARGES**

	<b>Redundancy Provision £</b>	<b>Pension Provision £</b>
Balance at 1 August	-	1,273,158
Transfer on merger	-	(1,273,158)
Charge for the year	138,536	-
	<u>138,536</u>	<u>-</u>
Balance at 31 July	<u>138,536</u>	<u>-</u>

**19. DEFERRED CAPITAL GRANTS**

	<b>2011 £</b>	<b>2010 £</b>
<b>Grants received</b>		
At 1 August	1,253,145	510,507
Received in year	-	903,099
Transferred on merger	(1,253,145)	-
Amortisation for year	-	(160,461)
	<u>-</u>	<u>(160,461)</u>
At 31 July	<u>-</u>	<u>1,253,145</u>

**20. INCOME AND EXPENDITURE ACCOUNT**

	<b>2011 £</b>	<b>2010 £</b>
Balance brought forward (including pension reserve)	(1,998,272)	(3,228,608)
Balance transferred on merger	(2,603,728)	-
Actuarial gain	1,211,000	
Net (deficit)/surplus for the year	<u>317,037</u>	<u>(1,230,336)</u>
Balance carried forward(including pension reserve)	<u>(3,073,963)</u>	<u>(1,998,272)</u>

**TRINITY UNIVERSITY COLLEGE**  
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**NOTES TO THE ACCOUNTS**  
**Year ended 31 July 2011**

**21. RECONCILIATION OF OPERATING (DEFICIT)/SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2011 £	2010 £
Surplus for the year	317,037	443,337
Increase/(decrease) in provisions	138,536	(132,916)
Depreciation	-	337,543
Amortisation of grants	-	(160,461)
(Increase)/decrease in stocks	-	3,151
Decrease/(increase) in debtors	(831,420)	2,719,336
Increase in creditors	487,522	4,328,742
Impact of FRS17	289,000	427,000
Interest paid	-	17,094
Interest received	-	(16,765)
<b>Net cash inflow from operating activities</b>	<b>400,675</b>	<b>7,966,061</b>

**22. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEFICIT**

	2011 £	2010 £
Increase in cash	400,675	7,511,270
Cash flow from decrease in debt	-	308,157
Change in net debt resulting from cash flows	400,675	7,819,427
Transfer of cash & debt on merger	(7,090,850)	-
<b>Net debt at 1 August</b>	<b>7,090,850</b>	<b>(728,577)</b>
<b>Net debt at 31 July</b>	<b>400,675</b>	<b>7,090,850</b>

**23. ANALYSIS OF NET DEBT**

	31 July 2010 £	Change in year £	Non Cash Movement £	31 July 2011 £
Cash at bank and in hand	8,298,633	400,675	(8,298,633)	400,675
	8,298,633	400,675	(8,298,633)	400,675
Bank loan	(1,207,738)	-	1,207,783	-
	7,090,850	400,675	(7,090,850)	400,675

**TRINITY UNIVERSITY COLLEGE**  
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**NOTES TO THE ACCOUNTS**  
**Year ended 31 July 2011**

**24. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE**

	2011 £	2010 £
Interest paid	-	(17,094)
Interest received	-	16,765
	<u>          </u>	<u>          </u>
Net cash outflow from returns on investments and servicing of finance	-	(329)
	<u>          </u>	<u>          </u>

**25. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT**

	2011 £	2010 £
Purchase of tangible fixed assets	-	(1,049,403)
Capital grants received	-	903,098
	<u>          </u>	<u>          </u>
Net cash outflow from capital expenditure and financial investment	-	(146,305)
	<u>          </u>	<u>          </u>

**26. FINANCING**

	2011 £	2010 £
Loan repayments	-	(308,157)
	<u>          </u>	<u>          </u>
Net cash outflow from financing	-	(308,157)
	<u>          </u>	<u>          </u>

**27. FINANCIAL CONTINGENCY FUNDS**

	2011 £	2010 £
Unspent at 1 August	771	2,282
Transfer on merger	(771)	-
Funding Council grants	-	92,254
Interest earned	-	32
	<u>          </u>	<u>          </u>
	-	94,568
Disbursed to students	-	(93,797)
	<u>          </u>	<u>          </u>
Balance unspent at 31 July	-	771
	<u>          </u>	<u>          </u>

Financial Contingency grants are available solely for students. The College acts only as paying agents. The grants and related disbursements are therefore excluded from the income and expenditure account.

During the 2010/11 academic year, following merger, the administration of the fund was transferred to University of Wales Trinity Saint David.

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**NOTES TO THE ACCOUNTS**  
**Year ended 31 July 2011**

**28. PGCE INCENTIVE SALARIES**

	2011 £	2010 £
Incentives received	-	201,600
Disbursed to students	-	(201,600)
	<u>-</u>	<u>-</u>

PGCE incentive are available for PGCE students. The College acts only as paying agents. The incentives and related disbursements are therefore excluded from the income and expenditure account.

**29. SOUTH WEST WALES SCHOOL OF EDUCATION**

	2011 £	2010 £
Hefcw Grant Received	-	2,751,889
Grant Disbursed to Swansea Metropolitan University	-	(2,751,889)
	<u>-</u>	<u>-</u>

The Hefcw grant received was for delivery of ITT provision in partnership with Swansea Metropolitan University. The College acts only as paying agents. The grant and related disbursements are therefore excluded from the income and expenditure account.

Administration for this transferred to University of Wales Trinity Saint David following the merger.

**30. PENSION SCHEMES**

There are three pension schemes in operation via the College for its staff: the Teachers' Pension Scheme and Universities Superannuation Scheme for academic staff, and the Dyfed Pension Fund (LGSS) for support staff.

**LGSS**

A full actuarial valuation of the scheme was carried out as at 31 March 2010 and updated to 31 July 2011 by a qualified independent actuary. The major assumptions used by the actuary were:

	2011 %	2010 %	2009 %
Rate of increase in salaries	4.65	4.95	5.45
Rate of increase in pensions	2.9	2.7	3.7
Discount rate	5.3	5.5	6.3
Rate of inflation	2.9	2.7	3.7

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement at age 65 are:

	31 July 2011	31 July 2010
<b>Retiring today</b>		
Males	21.9	21.2
Females	24.5	24.1

**TRINITY UNIVERSITY COLLEGE**  
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**NOTES TO THE ACCOUNTS**  
**Year ended 31 July 2011**

**Retiring in 20 years**

Males	23 3	22 2
Females	26 1	25 0

At the last actuarial valuation date, the market value of the assets of the scheme was £10,483,000 and the present value of the scheme liabilities was £14,163,000

**Fair value of assets and expected rates of return as at 31 July 2011, 31 July 2010 and 31 July 2009 were:**

	Long-term expected return at 31 July 2011	Fair value at 31 July 2011 £'000	Long-term expected return at 31 July 2010	Fair value at 31 July 2010 £'000	Long-term expected return at 31 July 2009	Fair value at 31 July 2009 £'000
Equities	7.0%	7,181	7.5%	6,242	7.5%	5,120
Government Bonds	3.9%	1,195	4.2%	1,265	4.5%	1,181
Other Bonds	4.9%	1,300	5.1%	1,219	5.8%	1,189
Property	6.0%	618	6.5%	259	-	-
Other	0.5%	189	0.5%	249	0.5%	130
Total market value of assets		10,483		9,234		7,620
Present value scheme liabilities		(14,163)		(13,836)		(12,582)
(Deficit)/surplus in scheme		(3,680)		(4,602)		(4,962)

**Analysis of amount charged to operating profit**

	For year to 31 July 2011 £'000	For year to 31 July 2010 £'000
Current service cost	618	516
Total operating charge	618	516

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**NOTES TO THE ACCOUNTS**  
**Year ended 31 July 2011**

**Analysis of finance income and charges**

	For year to 31 July 2011 £'000	For year to 31 July 2010 £'000
Expected return on assets	575	496
Interest on pension liabilities	(767)	(810)
Net finance return	<u>(192)</u>	<u>(314)</u>

**Movement in scheme deficit during the year**

	For year to 31 July 2011 £'000	For year to 31 July 2010 £'000
(Deficit)/surplus in scheme at beginning of the year	(4,602)	(4,962)
<b>Movement in year</b>		
Current service cost	(618)	(561)
Contributions paid by the employer	521	448
Past Service/Curtailment/Settlement Gain	(113)	935
Net return	(192)	(314)
Actuarial gain(loss)	1,324	(148)
Deficit in scheme at the end of the year	<u>(3,680)</u>	<u>(4,602)</u>

**Analysis of the movement in the present value of the scheme's liabilities**

	31 July 2011 £'000	31 July 2010 £'000
At 1 August	(13,836)	(12,582)
Current service cost	(618)	(561)
Interest cost	(767)	(810)
Member contributions	(219)	(206)
Actuarial gains and losses	765	(822)
Benefits paid	625	210
Past service cost gain	(113)	935
At 31 July	(14,163)	(13,836)

**TRINITY UNIVERSITY COLLEGE**  
**Formerly Trinity College Carmarthen Foundation**  
**(Limited by Guarantee)**

**NOTES TO THE ACCOUNTS**  
**Year ended 31 July 2011**

**Analysis of the movement in the present value of the scheme's assets**

	<b>31 July 2011</b>	<b>31 July 2010</b>
	<b>£'000</b>	<b>£'000</b>
At 1 August	9,234	7,620
Expected rate of return on scheme assets	575	496
Actuarial gains and losses	559	674
Employer contributions	521	448
Members contributions	219	206
Benefits paid	(625)	(210)
At 31 July	10,483	9,234

	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Difference between the expected and actual return on assets					
Amount	559	674	(958)	(927)	7
Percentage of scheme assets	5.3%	7.3%	12.6%	12%	1%
Experience gains/(losses) on scheme liabilities					
Amount	1,015	(822)	600	591	
Percentage of the present value of scheme liabilities	7.2%	5.9%	4.8%	5%	0%
Actuarial gain recognised in STRGL					
Amount	(1,324)	148	366	2,591	(62)
Percentage of present value of year end scheme liabilities	9.3%	1.1%	2.9%	22.1%	0.7%

The tax credits associated with UK equity dividends were abolished with effect from 2 July 1997. This has the effect of reducing the overall expected investment return in the long term. The actuary of the LGSS has reported that to allow for this reduction in return would require an increase in the Common Contribution of 1.2% of pensionable pay.

**Teachers' Pension Scheme**

The College is a member of the Teachers' Pension Scheme (TPS) which is a defined benefit scheme. The TPS is an unfunded scheme. Contributions on a "pay-as-you-go" basis are credited to the exchequer under arrangements governed by the Superannuation Act 1972. Actuarial valuations are carried out on a notional set of investments. Under the definitions set out in the Financial Reporting Standard 17 Retirement Benefits, the TPS is a multi-employer pension scheme. The TPS is unable to provide for the College an identification of its share of the underlying (notional) assets and liabilities of the scheme. Accordingly, the College has taken advantage of the exemption in FRS 17 and has accounted for its contribution to the scheme as if it were a defined contribution scheme. Set out below is the information available on the deficit in the scheme and the implications for the College in terms of the anticipated contribution rates.

**NOTES TO THE ACCOUNTS**  
**Year ended 31 July 2011**

The pensions cost is assessed every five years in accordance with the advice of the government actuary. The assumptions and other data that have the most significant effect on the determination of contribution levels are as follows:

Latest actuarial valuation	31 March 2004
Actuarial method	prospective benefits
Real rate of return	3.5% in excess of prices and 2% in excess of earnings per annum
Rate of real earnings growth	1.5% per annum
Gross rate of return	6.5% per annum

The value of the notional assets at 31 March 2010 was £163,240 million (estimated future contributions together with the proceeds from the notional investments held at the valuation date).

Following implementation of Teachers' Pensions (Employers' Supplementary Contributions) Regulations 2001, the government actuary carried out a further review on the level of employer's contributions. For the period from 1 August 2009 to July 2010, the employer contribution was 14.1%.

**USS**

The institution participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited. Under the scheme trust deed and rules, the employer contribution rate is determined by the trustee, acting on actuarial advice.

Because of the mutual nature of the scheme, the institution is unable to identify its share of the underlying asset and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by the FRS 17 "retirement benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

The latest actuarial valuation of the scheme was at 31 March 2008. The assumptions which have the most significant effect on the result of the valuation are those relating to the rate of return on investments (i.e. the valuation rate of interest), the rates of increase in salary and pensions and the assumed rates of mortality. In relation to the past service liabilities the financial assumptions were derived from market yields prevailing at the valuation date. It was assumed that the valuation rate of interest would be 4.4% per annum, salary increases would be 4.3% per annum (plus an additional allowance for increases in salaries due to age and promotion and a further amount of £1.35bn of liabilities to reflect recent experience) and pensions would increase by 3.3% per annum. In relation to the future service liabilities it was assumed that the valuation rate of interest would be 6.1% per annum, including an additional investment return assumption of 1.7% per annum, salary increases would be 4.3% per annum (also plus an allowance for increases in salaries due to age and promotion) and pensions would increase by 3.3% per annum.

At the valuation date, the value of the assets of the scheme was £28,843 million and the value of the past service liabilities was £40,619 million indicating a deficit of £11,776 million. The assets therefore were sufficient to cover 71% of the benefits which had accrued to members after allowing for expected future increases in earnings.

The employer contribution rate paid by the Institution to USS for the period 1 August 2010 to 31 July 2011 was 16% of pensionable.

The next formal triennial actuarial valuation is due as at 31 March 2011. The contribution rate will be reviewed as part of each valuation.