



COLEG SIR GÂR
(a company limited by guarantee)

ANNUAL REPORT

FOR THE YEAR ENDED 31ST JULY 2024

Company registration no : 8539630

Charity registration no : 1152522

COLEG SIR GÂR

INDEX

Public Benefit Statement	2 – 3
Strategic Report	4 - 15
Directors' Report	16 – 22
Statement of Corporate Governance and Internal Control	23 - 27
Independent Auditor's Report to the Members of Coleg Sir Gâr	28 – 31
Statement of Comprehensive Income	32
Statement of Changes in Reserves	33
Balance Sheet	34
Cash Flow Statement	35
Statement of Principal Accounting Policies and Estimation Techniques	36 - 41
Notes to the Financial Statements	42 – 63

COLEG SIR GÂR

PUBLIC BENEFIT STATEMENT

Coleg Sir Gâr is a registered charity (charity registration number: 1152522). The members of the Board of Directors, who are trustees of the charity, are disclosed in the Directors' Report on page 16.

In setting and reviewing the College's strategic objectives, the Board of Directors has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

Charitable Objectives

The College's objective is to provide, for the public benefit in the United Kingdom and elsewhere, further and higher education and (subject to any consultation with any relevant local authority) secondary education (as defined in each case in section 18(1) of the Further and Higher Education Act 1992 (or any replacement thereof).

The College is well aware of its public benefit responsibility and, therefore, ensures that this is at the heart of all its operations and services.

Fulfilment of the charitable objectives

Beneficiaries

The beneficiaries are appropriate to the aims as the students in the further, higher and secondary education sector (a sufficient sector of the public to meet the public benefit test) are the direct beneficiaries.

Coleg Sir Gâr is a college of further and higher education based in Carmarthenshire in South West Wales. The college has five campuses within the county: Llanelli (Graig campus); Ammanford; Llandeilo (Gelli Aur campus); and Carmarthen (Pibwrlwyd and Job's Well campuses). Currently the College has approximately 9,000 students enrolled on a range of courses including A Levels, Vocational Awards, Certificates and Diplomas, Higher National Certificates, Foundation Degrees and Degree programmes.

To deliver these courses, the College employs circa 650 teaching and support staff. The courses, students and staff are all located within one of 8 curriculum areas. The success of the College's students highlights the benefits of the range of effective partnerships maintained by the College.

The excellence of the College's partnership with the Carmarthenshire 14-19 Learning Network has been recognised with the achievement of a UK Beacon Award. The College's partnerships with industry are of significant importance and relationships with the construction industry have been recognised by an all Wales and UK Regional National Training Award.

In addition to College based provision, the College is also a significant work based learning provider with an extensive range of Traineeship and Apprenticeship programmes in a wide range of industrial sectors. The College has invested heavily over the last decade to provide students with the best possible learning environment. This has allowed the College's students to access excellent facilities and resources. The College also prides itself on being a caring and safe college, at all times putting the interests of the students first.

Admissions policy

The College operates a flexible and inclusive admissions policy, and provides for differentiation and individual needs in the design of its learning programmes. Some programmes have specific entry requirements which are reviewed annually and published in the College prospectus.

COLEG SIR GÂR

PUBLIC BENEFIT STATEMENT (continued)

Student Support/Bursaries/Scholarships

Students at the College are entitled to apply for various packages of support and funding in the same way as anyone studying in further or higher education in Wales.

Further education students between the ages of 16 and 19 can apply for the Education Maintenance Allowance, and students who are aged 19 or older can apply for an Assembly Learning Grant. Other bursaries are also available within the College for higher education students subject to eligibility.

Financial Contingency Funds are also available within the College which students can apply for to support their studies.

Widening Participation

The College has a comprehensive and broad range of academic and vocational education and training programmes. These range from pre-entry to graduate level, providing a service to the whole learning community. It offers further education, adult and community learning, higher education and work-based learning. It also provides for large numbers of 14-16 school pupils who attend the College or are taught by College staff at their schools. The College delivers across five campuses, at various community locations, in the workplace and online.

Community Engagement

The College offers other facilities which are available to staff, students and members of the public.

By order of the Board



Signature

Date: 12th December 2024.....

Mr John Edge
Director

COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2024

The directors present their strategic report for the year ended 31 July 2024.

Background

In 1992, Parliament passed the Further and Higher Education Act as a result of which all former institutions of further education (where the total full-time, block release and part-time day release student enrolments in the 1990 FESR amounted to at least 15 per cent of the College's student load) and all existing sixth form institutions were incorporated into a new sector. The College was incorporated on 30 September 1992, although the Corporation did not become an independent Institution until 1 April 1993 (vesting day).

On 1 August 2013 the Coleg Sir Gâr Further Education Corporation (Dissolution) Order 2013 came into force. This order dissolved the further education corporation previously established and transferred all of its properties, rights and liabilities to the new Coleg Sir Gâr Company. The Coleg Sir Gâr (Designated Institutions in Further Education) Order 2013 came into force on the same day establishing a new College conducted by a registered company, limited by guarantee. This new Coleg Sir Gâr company is a wholly owned subsidiary of University of Wales: Trinity Saint David.

On the 1 August 2017, Coleg Ceredigion became a wholly owned subsidiary of Coleg Sir Gâr, having formerly been a direct subsidiary of the ultimate parent company University of Wales: Trinity Saint David.

Principal activities

Coleg Sir Gâr is a large, multi-site, Further Education College based in South West Wales and has five main campuses at Llanelli (Graig), Carmarthen (Pibwrlwyd and Jobs Well), Ammanford and Llandeilo (Gelli Aur). It has approximately 9,000 learners of which some 2,500 are full time and over 6,000 are part time. There are approximately 600 higher education learners. The College has a comprehensive and broad range of academic and vocational education and training programmes that range from pre-entry to graduate level, providing a service to the whole learning community. The principal activities of the College are further education, higher education, work-based learning, 14-19 school provision, professional training, consultancy and the delivery of Government initiatives to industry. The College also offers its provision online, via partnerships at community locations and in the workplace.

Campuses vary in size and nature and offer a variety of subjects. The College has an annual turnover of around £46 m and employs circa 577 staff. Of these, 286 are directly involved in teaching and 291 in support and administrative functions

The County

Carmarthenshire is a predominantly rural county with a chain of market towns providing the focus of activity. Carmarthen is the county town with a strong retail sector and relatively large local government, health and administration population.

The south east of the county has historically been associated with heavy industry and is the most densely populated part of the county, with Llanelli being the largest settlement. Whilst some large key employers remain in this part of the county, the economy has sought to diversify into light engineering and new technology industries.

The Index of Deprivation shows that there are concentrated areas of educational deprivation, employment deprivation and, consequently, multiple deprivation in South West Wales. Carmarthenshire has proportionally higher levels of inactive individuals in comparison to Wales and the UK.

COLEG SIR GÂR STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2024

Purpose

inspiring
learners

fulfilling
potential

achieving
excellence

Strategic Vision

VISION

We will:

- put the needs of the learner first;
- be safe, inclusive and caring;
- live by our values and behaviours;
- provide the best learner experience, enhanced by digital technology;
- facilitate personal development and progression for learners;
- encourage curiosity and creativity in teaching and learning;
- develop a flexible, employer informed, curriculum;
- champion the Welsh language and culture;
- implement an ambitious workforce development programme;
- develop partnerships that impact positively on learners and business performance;
- improve our financial resilience and efficiency;
- support regeneration and prosperity in our communities; and
- create a sustainable environment for learners to be successful

Values and Behaviours

RESPECT

We will be:

- accepting of difference and provide opportunity for everyone to thrive;
- empathetic to each others' needs;
- courteous and kind to each other;
- supportive and care for each other;
- ready and willing to engage positively.

UNITY

We will be:

- one team with a set of common goals and unified direction;
- mindful of our behaviour and language, and its impact on others;
- bilingual in our communication and engagement;
- integrated with our community and partners;
- transparent in all aspects of our work.

PROFESSIONALISM

We will be:

- honest and act with integrity;
- driven to provide outstanding education and customer service;
- open to receiving different views that inform our decision making;
- a learning organisation with a curious nature;
- sustainable in our planning and delivery.

Strategic Priorities



COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2024

Financial Performance and Objectives

The College's financial objectives are:

- to achieve an annual operating surplus (defined as a surplus prior to FRS 102 non-cash pension costs) and positive cash flow
- to diversify income streams and reduce reliance on core funding
- to generate sufficient levels of cash to support the asset base of the College
- to ensure a healthy short-term liquidity position
- to fund continued capital investment

The Statement of Comprehensive Income for the period is set out on page 32. The highlights for the period in relation to these are detailed below.

- Total income for the period has remained relatively stable at circa £46m (2023: £47m). Maintaining a significant level of turnover reflects the continued success of the College at delivering education. Fluctuations in turnover are inevitable, and can be greatly influenced by the level of project work undertaken.
- Staff costs (excluding exceptional costs) as a percentage of total income have remained relatively stable at 54.0 % (23: 54 %) . The average number of staff employed remained relatively constant. Other operating expenses increased as a percentage of total income from 39% to 40%, primarily driven by high inflationary pressures.
- The surplus for the year was £ 710,000 (2023: £437,000 loss) post FRS 102 non cash adjustments of a positive £ 619,000 (2023 : £ 851,000 negative) . The operating surplus (pre FRS 102 non cash adjustments) was £ 91,000 (2023 : £ 414,000) .
- The liquidity position remains satisfactory, with the ratio of short-term assets to creditors falling due within one year standing at 2.6 (2023: 2.3).
- Net assets have improved from £ 30.3 million to a £ 30.4 million . Net assets, excluding defined benefit obligations have also increased from £30.3 million to £30.4 million as the asset ceiling was applied to the pension reducing the position to NIL. For further details on the accounting standards under which these financial statements are prepared, see the Statement of Principal Accounting Policies and Estimation Techniques on page 37.
- Specific capital grants were applied in line with the College's Strategic Plan towards enhancing effectiveness and providing a quality learning environment.
- The provision for enhanced pensions was reviewed during the period and the balance required at 31 July 2024 has been estimated at £530,000 (2023: £542,000).

Treasury policies and objectives

Treasury management is the management of the College's cash flows, banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

The College has a separate treasury management policy in place.

Short term borrowing for temporary revenue purposes is authorised by the Accounting Officer. All other borrowing requires the authorisation of the Corporation and shall comply with the requirements of the Financial Memorandum

COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2024

Cash flows, liquidity and reserves policy

The college operating cashflow position for the year is a negative amount of £ 1.8 m. Overall cash balances decreased by £ 3 m (from £18.0 m to £15 m). This was in the main driven by a repayment of unutilised grants from 22/23. The College wishes to continue to accumulate cash balances to fund future planned capital developments. To achieve this, the College has continued its drive for efficiency in the education and training it delivers. This has been, and will be, achieved by thoroughly reviewing its curriculum provision, effective deployment of resources, and best value procurement of goods and services. In addition, the College continues to seek and develop other sources of income. Significant re-investment into the College estate and plant and equipment ensures that learners have quality provision to aid in their educational process. The college aims to hold a minimum of 2 months expenditure (£ 8 m) in cash reserves at all times.

Curriculum Development and Enrichment

There is a wide-ranging curriculum that meets learners' aspirations. The curriculum is broad, flexible, coherent, and facilitates progression. It is offered in a variety of modes to suit learners' needs. There is a strong vocational focus and all Welsh Government's Sector Subject Areas are represented at the College.

The curriculum is formulated and reviewed in partnership with the College's stakeholders, the Regional Learning and Skills Partnership (RLSP), sector representative bodies, Coleg Cymraeg Cenedlaethol, 14-19 networks, ACL colleagues, University of Wales: Trinity Saint David, industry, business and local employers. This is supplemented using skills observatory data provided through the RLSP.

The College Curriculum and Quality team report to the Board's Committee for Learners and Standards. This provides a focus for discussion on curriculum and quality policy and development matters.

A range of options are available at all levels which offer diversity and choice to learners. The County's Youth Access programme also provides a partial full-time alternative curriculum for learners at the College who have had challenges in local schools. Almost the entire curriculum offered by the College is accredited, providing opportunities for learners to attain formal qualifications.

A range of further accredited provision is provided to learners to support learning. Learners also engage in a wide range of activities that enrich their study including work-related experiences, live projects, educational visits, overseas visits, environmental work, visiting speakers, community arts, voluntary work and fundraising.

Partnership and Transformation

The College has excellent partnership arrangements which contribute to an enhanced curriculum and learning experience.

- From 1 August 2013, the College became part of the University of Wales: Trinity Saint David Group, maximising opportunities for learners and sharing information, expertise and resources. In a similar vein, Coleg Ceredigion became a subsidiary of Coleg Sir Gar on the 1st August 2017.
- Through partnerships within the education authority and with local partner schools (over 16 schools), the breadth and volume of vocational opportunities for 14-19 school pupils is significant.
- Education and employer links are excellent and include the College's longstanding collaboration with CYFLE.
- The college works extensively in delivering provision collaboratively with TLC - the training and learning company.

COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2024

- The college is working closely with a range of employers, eg, Dwr Cymru, Owens Group, Thermal Earth, COTS, TRJ, Prince's Gate, CM-Days, Ron Skinner & Son, Castell Howell, the AA, Serco, Remploy, Hywel Dda, e- Careers, 4DAcademy etc.
- The College has made a significant contribution to the South West Wales Regional Learning and Skills Partnership and to the Public Service Board.
- Very good partnerships exist with Pembrokeshire College, other FE colleges and a number of other private training providers in the delivery of Work Based Learning (WBL) through the B-WBL Consortium.
- Long standing relationships are continuing with Carmarthenshire County Council in the delivery of Adult and Community Learning.
- Close working relationships exist with the LEA Youth Service and local schools to offer support and courses to learners who are at risk of becoming NEET (Not in Employment, Education or Training).
- Excellent partnership working has been achieved with the Scarlets, National Botanical Gardens Wales and Aberglasney Gardens, some of which act as centres for delivery.
- The College is well represented by members of the executive and College management team on a range of national networks; Regional Learning and Skills Partnership; Adult and Community Learning; 14-19 Networks; Colegau Cymru and Welsh Government.
- Excellent sporting academies in rugby, football and netball provide opportunities for learners at elite levels. These opportunities have resulted from working partnerships with the Welsh Rugby Union; Scarlets; FAW; the Welsh Netball Association, etc.

Quality and Standards

Note that the next section of the report that deals with quality performance, measures and statistics that reflect the combined data for both Coleg Sir Gâr and its subsidiary company Coleg Ceredigion. Coleg Sir Gâr is by far the largest proportion in terms of weighting, with a turnover of circa £ 46 m against £6 m for Coleg Ceredigion (8,500 students vs circa 1,300 students respectively).

The College welcomed Estyn in May 2022 who undertook an inspection of its further education provision. The inspection framework covered 5 key areas: Learning; Well-being & Attitudes to Learning; Teaching & Learning Experiences; Care, Support & Guidance; and Leadership & Management. Whilst graded outcomes are no longer provided by Estyn, the overall outcome for the College was very positive. Good features identified within the report include:

- *“Most learners feel safe and well supported during their time at the college”.*
- *“The college has successfully embedded a positive ethos based on the values of respect, unity and professionalism”.*
- *“Most learners speak positively about their experiences at the college”.*
- *“Most learners develop competent practical skills and many relate theory to practice successfully”.*
- *“The college has systems in place to support learners in their understanding of how to keep safe and safeguarding”.*
- *“Nearly all teachers know their learners well and foster relationships that encourage and support learners to progress”.*
- *“Most teachers skilfully develop learners' digital skills in their vocational or academic subjects”.*
- *“Learners demonstrate high levels of competency using digital platforms to store, record, organise and track their own learning”.*

COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2024

- “Where appropriate teachers support learners’ Welsh language skills by engaging them in conversation during classes”.
- “The College has developed strong partnerships with local schools for 14-16 provision”.
- “Across nearly all courses, learners benefit from clear progression routes to the next level or into work-based learning, higher education or employment”.
- “The principal has set a vision that informs the college’s strategic priorities well”.
- “Senior and middle managers show a clear understanding regarding how they support the college’s aim to deliver “inspirational learning experiences”.
- “During the pandemic, a particular strength of the college was its commitment to upskilling teaching and support staff to enable them to effectively support learners to develop strong digital skills and remain on their courses”.
- “The college senior management team has been effective in improving the learning experiences and outcomes at an underperforming campus. They reacted quickly and put in place robust quality improvement procedures”.
- “The college has comprehensive quality assurance systems and collects a wide range of data”.

Recommendations for continuous improvement include:

1. Make better use of the extensive data the college has to further refine the evaluation of the impact of provision and initiatives.
2. Strengthen strategies to improve learners’ understanding of radicalisation and extremism.
3. Ensure that learners’ numeracy skills and wider mathematical skills are developed fully to address their skills gaps.

Estyn Report May 2022

<https://www.estyn.gov.wales/provider/f0009005>

All actions have since been addressed and completed.

Standards achieved by learners

Further Education

The 2022/23 Welsh Government ‘national consistent performance measures’ (CPM) for FE show completion rates in all levels of provision are at/or above the national comparator, with the exception of Level 3. Successful completion in all levels of provision are below the national comparator, with the exception of Level 1. Prioritising successful completion outcomes will be a key objective for the college this year.

	2021/22				2022/23			
	Completion		Successful Completion		Completion		Successful Completion	
Vocational Programmes	Coleg Sir Gar	National Outcomes	Coleg Sir Gar	National Outcomes	Coleg Sir Gar	National Outcomes	Coleg Sir Gar	National Outcomes
Level 3	87%	87%	74%	74%	87%	88%	76%	79%
Level 3 Access	71%	78%	69%	70%	83%	75%	62%	68%
Level 2	86%	82%	72%	72%	86%	85%	71%	76%
Level 1	84%	81%	76%	76%	85%	83%	77%	77%
Entry/Pre-entry	93%	84%	70%	76%	88%	86%	78%	80%

*Outcomes for 2023/24 are yet to be validated and published by the Welsh Government.

COLEG SIR GÂR

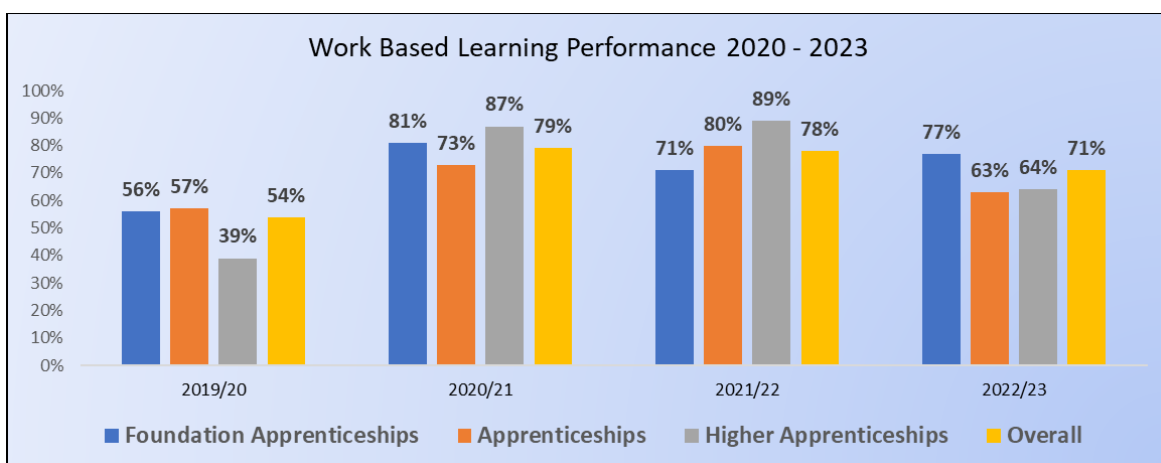
STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2024

Outcomes for academic qualifications are provided in the table below.

AS Level Results (% of Grades Awarded)				A Level Results (% of Grades Awarded)				
Year		A	A-E	Year		A*	A*-A	A*-E
2024	CSG	21.0%	92.0%	2024	CSG	6.0%	25.0%	92.0%
	National Comparator	19.8%	89.3%		National Comparator	6.6%	24.6%	89.3%

Overall outcomes in 2024 for AS (A-E) and A level (A*-E) were excellent and above the national comparator apart from the percentage of A*s awarded at A Level, which at 6% is slightly lower than the national comparator of 6.6%.

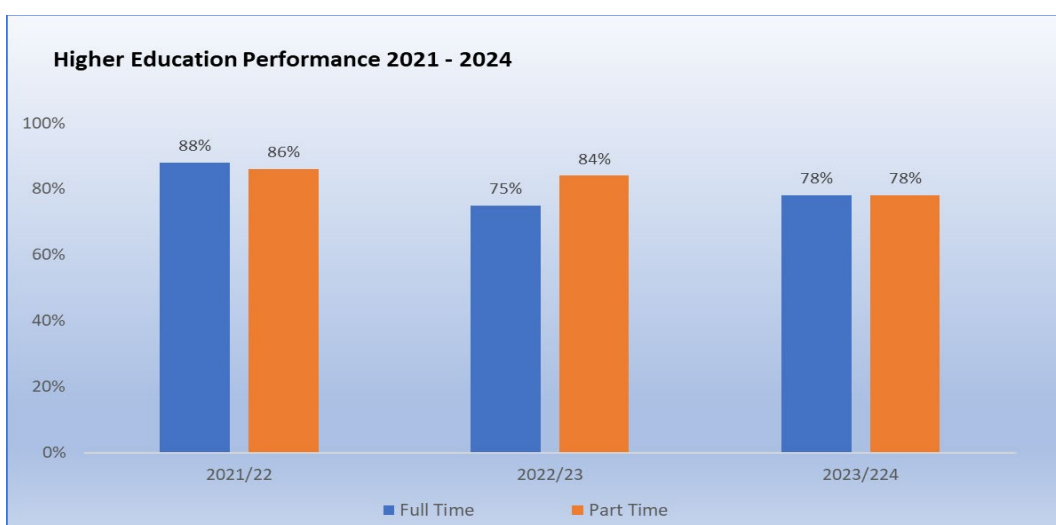
Work-Based Learning



*Outcomes for 2023/24 are yet to be validated and published by the Welsh Government.

2022/23 was a challenging year for WBL with performance dropping at apprenticeships and higher apprenticeships. However, early projection figures for 2023/24 are very encouraging.

Higher Education



COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2024

Historically, higher education students have consistently performed well across both full-time and part-time provision. However, the 2022/23 academic year saw an unusual decline, particularly in full-time student success rates. The data for 2023/24, based on estimated outcomes, indicates a potential stabilisation, albeit not at the high levels observed in 2021/22.

Teaching and Learning

The College is committed to achieving the best for its learners. It understands that every learner learns in their own unique way, and is dedicated to providing engaging, innovative, and well-supported learning experiences to help each learner thrive and succeed. The College's Teaching and Learning Strategy is designed to empower staff to provide each and every learner with the opportunity to succeed. In an ever-changing world, it is essential to build resilience in both staff and learners to ensure they are equipped to face future challenges.

The College's approach to teaching and learning, and the learner experience is underpinned by its commitment to all:

- staff being empowered to underpin their pedagogy choices through action research informed processes.
- teaching and learning environments to be digitally enabled and innovative.
- staff being supported to access industry upskilling to nurture and enhance their dual professionalism.
- staff trained and supported to create inclusive and empowering environments based on a culture of coaching.

The College provides bespoke and tailored support for all learners and staff. The significant emphasis on training, motivating and supporting staff was recognised in 2017 when Coleg Sir Gâr was awarded the Association of Colleges Beacon Award for excellence in staff development; in 2019 when it received a Princess Royal Training Award and more recently in 2022 when it again received a Princess Royal Training Award.

Staff actively engage with, and benefit from the College's strong commitment to continuous professional development, reflected in learner outcomes and learner survey results. Central to this process is each teacher's self-assessment of their performance against key criteria, which helps create a personalised teaching profile identifying specific areas for development. After a period of implementation, the self-assessment process is repeated to enable ongoing tailored support and improvement.

The College's Teaching and Learning Team provides excellent support and tailored training to new members of staff, PGCE students and those teaching staff who need support with aspects of their work. Excellence in teaching is highly valued and celebrated through an annual teaching and learning award ceremony.

Health and Wellbeing of Learners

The College is dedicated to fostering a healthy environment that enhances the wellbeing of both learners and staff. In response to increasing needs, it has elevated the focus on wellbeing and mental health. Induction, tutorial, and promotional activities have successfully enhanced learners' understanding of wellbeing, reflecting the College's priority on ensuring their safety, including online safety.

The College provides excellent specialist support for personal wellbeing and mental health. A new referral and assessment procedure has been introduced, focusing on ensuring that learners receive the appropriate support at the right time. Learners who face considerable barriers to learning are referred to mentoring and counselling services. Learner feedback is positive, with the wellbeing team's support playing a crucial role in helping students stay in education and succeed, despite often facing significant personal challenges.

COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2024

A strong emphasis on equality and diversity ensures that all learners and staff are treated with respect. Awareness has been effectively raised among both groups through a variety of media and activities that are prominently showcased across the campuses.

Effective measures are in place to safeguard children and vulnerable adults, supported by clear policies and procedures. The College's "be safe" message emphasises the rights of all learners to be free from bullying and harassment, with definitive actions taken to prevent such behaviour. Online safety is also well-supported through dedicated promotions and tutorial activities.

Learner Voice (Further Education)

In 2023/24, the focus of the further education annual learner voice survey was to gauge learner perception of teaching and learning. Overall, learners' perception in relation to their teaching and learning experiences is excellent. Improving the response rate for vocational learners will be prioritised this year.

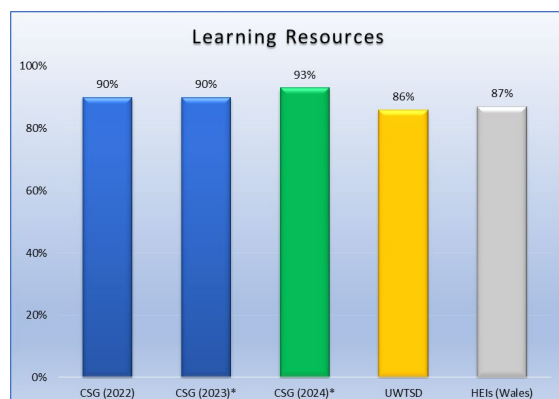
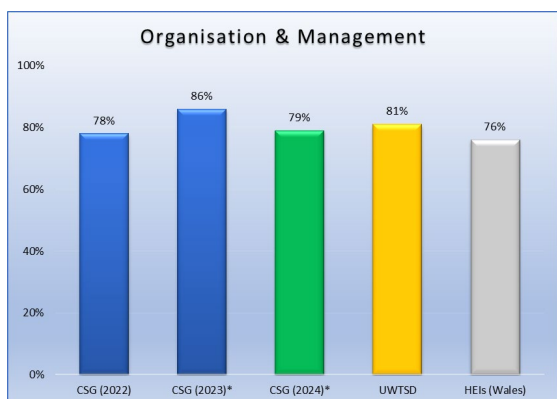
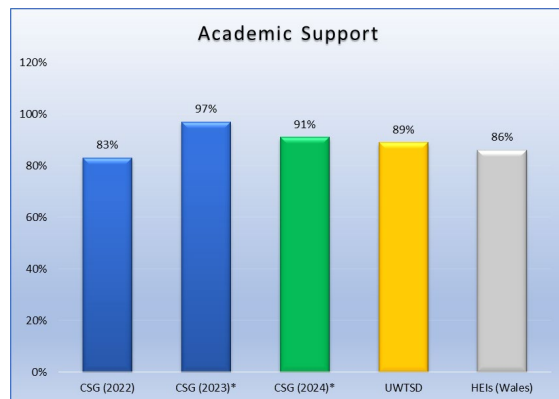
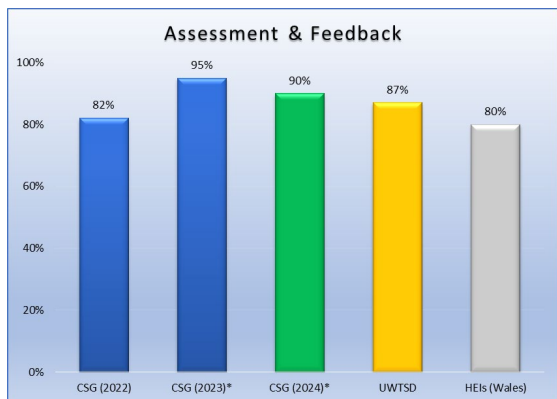
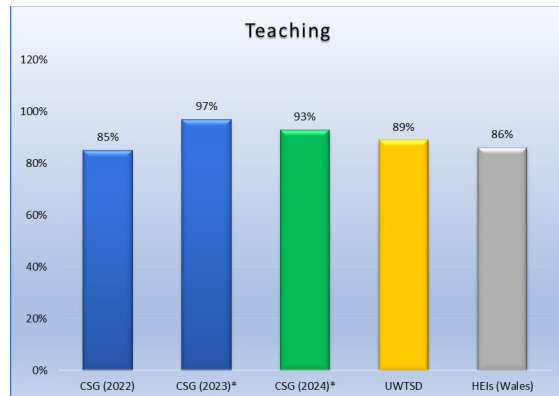
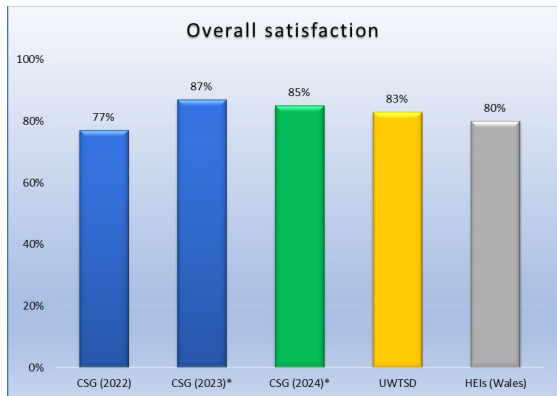
85% or above	75 – 84%	65 – 74%	Below 65%		
Learner Voice Survey (Teaching & Learning) 2023/24		AS & A Level		Vocational	
Response Rate		85%		68%	
Question	Satisfaction Rate	Response based on % Learners surveyed	Satisfaction Rate	Response based on % Learners surveyed	
I feel that my lessons are well planned.	98%	100%	91%	100%	
I feel challenged and stretched in my lessons and I have opportunities to improve and learn.	96%	100%	90%	100%	
I feel that my lessons have a variety of tasks that keep me interested.	89%	100%	87%	100%	
My lessons start with an activity to get me thinking and ends with an activity to reflect on what I have learnt.	83%	100%	75%	100%	
My tutor takes a good account of my individual learning needs when planning and delivering my lessons.	92%	100%	92%	100%	
Difficult tasks are broken down into smaller steps.	93%	100%	88%	100%	
Technology is used well in my lessons which helps me to learn.	92%	100%	93%	100%	
Teachers ask questions to encourage me to take part in lessons.	96%	100%	93%	100%	
When needed, poor behaviour is challenged respectfully and positively in class.	96%	100%	91%	100%	
I am given opportunities to use teacher feedback and self-evaluation activities in order to help me improve my work.	95%	100%	93%	100%	
I am given opportunities to work with my fellow learners and to give one another feedback on our work.	92%	100%	93%	100%	
I am regularly encouraged to set targets and review my progress.	90%	100%	89%	100%	
I receive regular and focussed feedback to help me improve my work.	93%	100%	91%	100%	
I receive marked work promptly and I know where to look for my feedback and grades.	94%	100%	89%	100%	
My teachers have high expectations of me and I feel supported and challenged to always try my best.	96%	100%	92%	100%	
I enjoy learning and feel inspired to succeed.	92%	100%	91%	100%	

COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2024

Learner Voice (Higher Education)

Higher Education students in their final year of study have continued to respond well to the National Student Survey, and excellent student satisfaction scores have historically been achieved in teaching, learning and overall experiences in College. Student satisfaction remains high, with an overall satisfaction rate of 85%. Despite marginal declines, satisfaction scores remain excellent and above the UWTSO and Welsh HEI averages in key categories of the survey: Learning Resources; (93%); Academic Support (91%); Assessment & Feedback (90%); Teaching (93%); and Learning Opportunities (90%).



COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2024

Capital Investment and Accommodation (Coleg Sir Gâr only)

Although there were no major building projects or acquisitions during the year, there has been a significant amount capital investment in relation to buildings maintenance, plant, equipment and IT expedited at the college for during 2023/24.

The Future

The College sees a strong future for itself as part of the merged University of Wales: Trinity Saint David (“UWTSD”) group and has made a commitment to continuing to offer a strong further education provision across the county.

A number of key challenges face the College over the next few years, including:

- Improving learner outcomes
- Developing the college as a centre of excellence for teaching and learning
- Meeting the challenges of ‘Digital 2030’
- Meeting the requirements of the ALN Bill
- The development of the Welsh Baccalaureate Qualification at Level 3
- Developing more Welsh medium provision
- Maintaining a diversified curriculum portfolio across a range of sectors
- Developing more commercial training
- Developing strategies to cope with pressures in public funding
- Improving, rationalising and developing its estate in partnership with UWTSD and the County Council
- Driving the sustainability agenda on a limited budget

Principal Risks and Uncertainties

The College operates a strong risk management and internal control framework as described in the corporate governance statement below. This is supported by a specific risk management programme.

The Audit and Risk Management committee undertakes a comprehensive review of all the potential risks facing the College, which are then recorded on the College’s risk register and scored in accordance with a set matrix which identifies the likelihood or probability of these risks occurring, and the potential impact on the College if they materialise. The committee must then identify systems, procedures and controls which can be put in place to mitigate the risks in order to reduce the risks to a manageable or acceptable level.

Risk management is a topic covered at each meeting of the Audit and Risk Management committee, which reports its findings periodically to the Board.

An annual review is undertaken to ensure the effectiveness of the risk management system and any weaknesses identified are corrected.

Outlined below are some of the principal risks facing the College for the foreseeable future. Not all of the factors are within the College’s control. Other factors besides those listed below may also adversely affect the College.

1. Reduction in real terms of government funding

The College relies on government funding, and the current climate is such that there are continuous pressures on this income stream.

This risk is mitigated in a number of ways:

- Concerted effort, drive and focus on creating a more diversified income base;
- Specific focus on quality to ensure a high standard of delivery in all education and training endeavours;

COLEG SIR GÂR

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2024

- Maintaining the intake of higher education students. The College already offers a significant higher education provision;
- Working closely with the UWTSD group and Coleg Ceredigion to harmonise operations and remove duplication with a view to reducing costs;
- The operation of a Business Development Unit which has a primary objective of building a sustainable commercial income stream that is not reliant on government funding;
- Focusing on priority sectors which are likely to continue to attract public funds;
- Growing and developing the College's work-based learning provision; and
- Building partnerships with schools and business.

2. Failure to recruit and retain students

Demographics and a changing environment in which competition is perceived to be intensifying will invariably make it more difficult to recruit and maintain student numbers. This could have an impact on all areas of funding.

The risk is mitigated as follows:

- Partnership working with schools;
- Focused marketing effort;
- Diversified income streams;
- Partnership with local businesses and other relevant bodies;
- Ensuring high quality delivery of education and training;
- Learner support structures to ensure learners are supported for the whole journey;
- Focus on progression through the levels.

3. General Economic Conditions : Increasing costs and pay pressure

The college is actively addressing operations to ensure the smooth continuity of operations as well as working closely with Welsh Government during these continued challenging times.

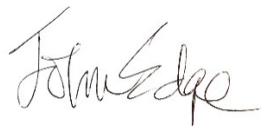
Key Performance Indicators

The College is pleased to confirm that the target of breakeven before defined benefit obligation costs has been achieved with an actual outturn before non-cash defined benefit obligation costs of £ 92,000 surplus (22/23: £414,000 surplus). The surplus for the year after defined benefit obligation costs is £710,000 (deficit of 437,000 in 22/23), with non-cash adjustments being an unusual positive benefit of £618,000 (22/23: £851,000 negative adjustment).

Student numbers remained relatively buoyant for the year, with total FE full time numbers slightly better than in prior years.

The College continues to achieve high standards of quality for its teaching and learning function, and received a good Estyn report in at the last inspection (see Strategic Report). Similarly, National Student Survey reports normally indicate a high level of student satisfaction.

This report was approved by the board on the 12th December 2024 and was signed on behalf of the board by:



Signature

Date: 12th December 2024.....

Mr John Edge
Director

COLEG SIR GÂR

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2024

The directors present their report and the audited financial statements of the Company for the year ended 31st July 2024.

Results and future developments

The results for the year, strategy and future developments of the Company are set out in the Strategic Report on pages 4 to 15.

Dividends

The Company is limited by guarantee. No dividends have been paid or are recommended for the year ended 31st July 2024.

Professional advisers

External auditor: KPMG LLP, Cardiff
Internal auditor : Mazars LLP, Bristol
Banker: Barclays Bank Plc, Llanelli
Solicitor: Eversheds, Hepworth & Chadwick, Cardiff

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements, unless otherwise stated, were as follows:

<u>Directors</u>	<u>% attendance at meetings</u>
Mrs Maria Stedman *# (resigned 07/12/2023)	100 %
John Edge*# (Chair)	100 %
Mrs Abigail Salini*# (appointed 23/03/23)	60 %
Mr Huw Davies*#	60 %
Mr Eifion Griffiths*# (resigned 31/07/2024)	75 %
Mr Delwyn Jones*# (resigned 31/07/2024)	60 %
Mr Alan Smith*#	100 %
Ms Erica Cassin *#	100 %
Mr Ben Francis*#	80 %
Mrs Jacqui Kedward*#	100 %
Mr Mike Theodoulou*#	60 %
Mrs Tracy Senchal*#	20 %
Mr John Williams*#	75 %
Mr Louis Dare *#(appointed 06/10/22)	75 %
Miss Jenna Loweth *# (appointed 01/08/23)	25 %
Mr Peter Spring *# (resigned 31/07/24)	75 %
Andrew Cornish *# (Principal)	100 %

(* non – executive directors)
(# Trustees)

COLEG SIR GÂR

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2024

(continued)

Directors' indemnities

The directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year, and remains in force as at the date of signing of these financial statements.

Payment performance

The College follows the Better Payments Practice Code in dealing with its suppliers. The four key principles of the code are:

- agree payment terms at the outset of a deal and stick to them;
- explain the payment procedures to suppliers;
- pay bills in accordance with any contract agreed with the supplier, or as required by law; and
- inform suppliers without delay when an invoice is contested and settle quickly on receiving a satisfactory response.

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires Colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95 per cent. The College's performance in paying its suppliers during the year to 31 July 2024 was as follows:-

	2024	2024	2023	2023
	No	£000	No	£000
Total Invoices Received	7,454	25,852	6,946	24,996
Paid on time	5,809	23,123	5,117	22,181
% of total invoices received	78%	90%	74%	89%
Trade Creditors at 31 July - (Note 16)		2,168		2,135
Trade creditor days		31 days		31 days

The College incurred no interest charges under The Late Payment of Commercial Debts (Interest) Act 1998.

Estate developments

The College regularly invests in the maintenance of the estate with planned annual programmes of maintenance carried out during the summer months. Annual budgets include an allocation for such works. No significant capital projects were undertaken in 23/24.

COLEG SIR GÂR

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2024 (continued)

Equal opportunities

The College is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positively differences in race, gender, sexual orientation, disability, religion or belief and age. We strive vigorously to remove conditions which place people at a disadvantage and we will actively combat bigotry. This policy is resourced, implemented and monitored on a planned basis.

The College's Strategic Equality Plan, although applying generally to employees, has equal relevance to disabled persons as the College would provide training, career development and opportunities for promotion which are, as far as possible, identical to those for other employees.

Stakeholder relationships

The College has many stakeholders. These include, but are not limited to:

- Students;
- Education sector funding bodies;
- Staff;
- Local employers (with specific links);
- Local authorities;
- Local Enterprise Partnerships (LEPs);
- The local community;
- Other FE institutions;
- Trade unions; and
- Professional bodies.

The College recognises the importance of these relationships and engages in regular communication with them through meetings and the College's internet site.

Staff and student involvement

The College systematically provides employees and staff with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. The committee structure provides the formal communication links with representation as appropriate from different staff employment categories and students. Employee and student involvement in the College is encouraged, as achieving a common awareness on the part of all employees and students of the financial and economic factors affecting the College plays a major role in the decision making process.

Statement of directors' responsibilities

The Directors are required to present audited financial statements for each financial year under company law. The Directors are responsible for preparing the Strategic Report, the Directors' Report, Public Benefit Statement and Statement of Corporate Governance and Internal Control and the financial statements in accordance with applicable law and regulations.

Within the terms and conditions of the Financial Memorandum between the Welsh Government and the further education institutions, the Directors are required to prepare financial statements and an operating and financial review for each financial year in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education, the Accounts Direction for Further Education Colleges in Wales and the UK's Generally Accepted Accounting Principles including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the College and its profit or loss for that period.

The regulation of the Welsh Further Education sector was transferred from the Welsh Government to Medr, the Commission for Tertiary Education and Research on 1 August 2024. The Audit Code of Practice, Accounts Direction for Further Education Colleges in Wales 2023/24 issued by Welsh Government ("2023/24 Accounts Direction") and Financial Memorandum Management Code issued by the Welsh Government remain in place until superseded by subsequent Medr publications. In

COLEG SIR GÂR

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2024

(continued)

view of this transfer, any reference to the Welsh Government in our report should be read as also referring to Medr.

In preparing the 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 UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the College's ability to continue as a going concern, noting the key supporting assumptions or mitigating actions, as appropriate (which must be consistent with other disclosures in the accounts); and
- use the going concern basis of accounting unless they intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

The Directors are also required to prepare a Members' Report which describes what it is trying to do and how it is going about it, including information about the legal and administrative status of the College.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the College's transactions and which disclose, with reasonable accuracy at any time, the financial position of the College and which enable them to ensure that the financial statements are prepared in accordance with relevant legislation including the Companies Act 2006, the Further and Higher Education Act 1992 and Charities Act 2011, and relevant accounting standards. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. They are responsible for taking steps that are reasonably open to them to safeguard the College's assets and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of its website(s); the work carried out by auditors does not involve consideration of these matters and, accordingly, auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors are responsible for ensuring that expenditure and income are applied for the purposes intended by the Welsh Government and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from the Welsh Government, and any other public funds, are used only in accordance with the Financial Memorandum with the Welsh Government and any other conditions that may be prescribed from time to time by the Welsh Government or any other public funder. The Directors must ensure that there are appropriate financial and management controls in place to safeguard public and other funds and ensure they are used properly. In addition, Directors are responsible for securing economical, efficient, and effective management of the College's resources and expenditure so that the benefits that should be derived from the application of public funds from the Welsh Government and other public bodies are not put at risk.

COLEG SIR GÂR

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2024 (continued)

Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 1st August 2023 to 31st of July 2024 (and prior year) :

	<u>Current year</u>	<u>Prior year</u>
Energy consumption to calculate emissions (kwh)	4,435,025	4,465,514
<u>Scope 1 emissions in metric tonnes Co2e</u>		
Gas	595	612
Owned transport	43	45
<u>Total scope 1</u>	<u>638</u>	<u>657</u>
<u>Scope 2 emissions in metric tonnes Co2e</u>		
Electricity	310	300
<u>Scope 3 emissions metric tonnes Co2e</u>		
Business travel employee owned vehicles	58	39
<u>Total Gross emissions in tonnes Co2 e</u>	<u>1,005</u>	<u>996</u>
<u>Intensity ratio tonnes Co2e per student</u>	<u>0.141</u>	<u>0.166</u>

Qualification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting guidelines. We have also used the GHG Reporting Protocol - Corporate Standard and have used the 2024 UK Government's conversion factors for Company Reporting

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes Co2e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

Smart meters are installed across all sites. Solar panels have been installed on 3 of our largest campuses which significantly reduces purchased electricity. Energy saving lightbulbs(LEDs) are installed wherever possible and staff travel is reduced due to a focus on conducting meetings virtually using software such as Teams or Google meet. The college has invested heavily in bicycle storage facilities and operates a Cycle to Work Scheme to encourage this cleaner and healthier means of travel to college. EV (Electric Vehicle) charging points are also installed at all our campuses.

Directors statement of compliance with duty to promote the success of the College

Engaging with our stakeholders (section 172 (1) statement)

The Board of Directors have a duty to promote the success of the Group for the benefit of its members as a whole having regards to the interests of our stakeholders (no shareholders as the company is limited by guarantee) , our students, Welsh Government, our clients, our employees, our relationships with our suppliers and the impact of our operations on the communities in which we operate, and to ensure that we maintain a reputation for high standards of quality, care and business conduct.

Our key stakeholders are our students, Welsh Government, our clients, local businesses, our employees and the communities within which we operate. Our suppliers and regulators are also important stakeholder groups. All key Board decisions consider the impact on relevant stakeholders. Increasingly, stakeholders are looking to understand our performance across multiple areas from performance to services, community engagement, innovation, governance,

COLEG SIR GÂR

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2024

(continued)

workplace practices and corporate citizenship. The Board endeavours to gain an understanding of the perceptions and attitudes of each stakeholder group and the weight they give to different issues. Where the views of different stakeholder groups do not align, the Board must decide on the best course of action to promote the company's long-term success.

Our students

Our students are at the heart of our business and operations. We aim to deliver the best possible standards of education and training as well as a safe, exciting and modern environment to study within coupled with the best possible experience during their time at the college.

Employees

As a service organisation, our employees are key to our business. We want our employees to feel engaged and empowered to deliver great outcomes for our students and indeed all our stakeholders. Staff wellbeing is particularly important to the college and as such we have a college wellbeing manager in post to specifically address both the student and staff wellbeing agenda. There are significant support mechanisms within the college to deal with any concerns that staff may have, and there is regular opportunity for supported professional development open to all who wish to apply. The college works closely with all staff unions to ensure the needs and concerns of staff are addressed and prides itself on having a very strong, collaborative and mutually beneficial relationship in this regard. Staff members also have a representative on the Board of Directors

Regulators

The college, being a Further Education Institution, works very closely with Welsh Government who are the principal funding body for the majority of the college grant income. Regular qualitative and financial reports are submitted regularly and success is dependent on an open, robust and reciprocal relationship.

The college as a company and charity, also reports via Companies House and the Charity commission.

Suppliers

A strong relationship with Suppliers is essential to ensure the continuity of our operations and thus our ability to service our stakeholders to the highest possible standards. This would include suppliers of product and services across our 5 campuses. We aim to treat our suppliers fairly and pay them within agreed timescales, if not sooner, and always conduct ourselves professionally and to the highest possible standards. We work closely with our suppliers to ensure that they have effective controls in place to protect our students (and stakeholders if applicable) 'health and safety' and the security and privacy of their data.

Communities and environment

We play an active role in the communities in which we operate and take care of the environment. We evaluate the business risks and opportunities associated with climate change, closely managing our environmental impact and actively promoting positive environmental practices.

Employee Involvement and Disabled Employees

The company continues to keep employees informed of matters affecting them and the financial and economic factors affecting the performance of the company. This is achieved through consultations/training sessions, a staff gateway which is continually updated, email, newsletters and social media. Applications for employment by disabled persons are given full and fair consideration.

COLEG SIR GÂR

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2024 (continued)

In the event of employees becoming disabled and being unable to continue within the existing role, every effort is made to retrain them in order that their employment with the college may continue. It

is the policy of the company that training, career development and promotion opportunities should be available to all employees at all times.

Political contributions

Neither the Company nor its subsidiary made any political donations or incurred any political expenditure during the period (2023 – donations £nil).

Other Information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on pages 4 – 15.

Statement of disclosure of information to Auditor

Each of the persons who were directors at the time when the Directors' Report was approved has confirmed that, so far as the directors are aware, there is no relevant audit information (i.e. information needed by the company's auditor in connection with preparing their report), of which the company's auditors are unaware, and the directors have taken all steps that they ought to have taken in order to make themselves aware of any relevant information and to establish that the company's auditor is aware of that information.

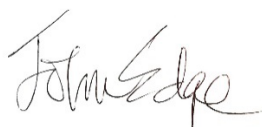
Independent auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Change of Regulator : From Welsh Government to MEDR

In August 2024, MEDR (the Commission for Tertiary Education and Research), a new arms length body, took over responsibility for funding and overseeing tertiary education and research.

This report was approved by the Board on the 12th December 2024 and was signed on behalf of the Board by:



.....

Mr John Edge
Director

Registered Address: Graig Campus, Sandy Road, Pwll, Llanelli. SA15 4DN

Date: 12th December 2024

COLEG SIR GÂR

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

The Company is committed to exhibiting best practice in all aspects of corporate governance. This summary describes the manner in which the Company has applied the principles set out in the Code of Good Governance for Colleges in Wales, as issued by Colegau Cymru (Colleges Wales). Its purpose is to aid users of the financial statements to understand how the principles have been applied.

In the opinion of the directors, the Company complies with all of the mandatory provisions of the code so far as they apply to the further education sector, and it has complied throughout the year ended 31 July 2024 and up to the date of this report.

The Board of Directors

The members of the Board of Directors are listed on page 16. It is the responsibility of the directors to bring independent judgement to issues of strategy, performance, resources and standards of conduct. The Company recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times.

The Board is provided with regular and timely information on the overall financial performance of the Company, together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel-related matters such as health and safety and environmental issues. The Board meets four times a year.

The Company conducts its business through a number of committees. Each committee has terms of reference which have been approved by the Board. These committees are Search and Governance; Remuneration; Learner Curriculum and Skills; Standards; Resources and Business Engagement; and Audit and Risk Management.

The committees are comprised of directors and co-opted members chosen via the search and governance committee which is comprised entirely of directors - for the knowledge, skills and experience that they bring to the respective committee. For the avoidance of doubt, the co-opted members are not directors of the Company. All decisions taken by the committees have to be subsequently formally approved by the Board.

The committees serve on an advisory basis and report directly to the Board of Directors. As a minimum, the chair of each committee will be a serving director. Details of the composition of each committee are noted under the respective heading below. Formal agendas, papers and reports are supplied to committee members and directors in a timely manner, prior to meetings. Briefings are also provided on an ad-hoc basis.

The Board has a strong and independent non-executive element and no individual or group dominates its decision making process. The Company considers that each of its non-executive members is independent of management and free from any business or other relationship, which could materially interfere with the exercise of their independent judgement.

There is a clear division of responsibility in that the roles of the Chairman (a non-executive director) and Principal (an executive director) are separate.

Appointments to the Board of Directors

Any new appointments to the Board are a matter for the consideration of the Board as a whole. The Search committee is responsible for the selection and nomination of any new member for the Board's consideration. The Board is responsible for ensuring that appropriate training is provided as required.

Search and Governance committee

Throughout the year ended 31 July 2024, the Institution's Search committee comprised four members of the Board of Directors. The committee's responsibilities are to make recommendations to the Board on the selection of directors and co-opted members, and on matters of governance.

COLEG SIR GÂR

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Remuneration Committee

Made up of three Directors, the committee determines the remuneration and conditions of employment of senior post holders, including the Principal. Details of remuneration for the year ended 31 July 2024 are set out in note 6 to the financial statements.

Audit and Risk Management committee

The Audit and Risk Management committee is comprised of four members. The committee operates in accordance with written terms of reference approved by the Board.

The Audit and Risk Management committee meets on a termly basis and provides a forum for reporting by the Institution's internal and financial statement auditors, who have access to the committee for independent discussion without the presence of Institution management. The committee also receives and considers reports from WG as they affect the Institution's business.

The Company's internal auditor monitors the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input, and report their findings to management and the Audit and Risk Management committee. The external auditor undertakes the annual Financial Statements audit and reports findings back to the committee. Both the internal and external auditors are key components of the audit & risk management process and are key areas of responsibility for the committee.

Management is responsible for the implementation of agreed audit recommendations, and internal audit undertake periodic follow-up reviews to ensure such recommendations have been implemented. The Audit and Risk Management committee also advises the Company on the appointment of internal and financial statement auditors, and their remuneration for both audit and non-audit work.

Resources and Business Development committee

The Resources and Business Development committee is comprised of eight members. The committee operated in accordance with written terms of reference approved by the Board. The committee meets on a termly basis to review all aspects of planning and resource utilisation in the Company. This would include budgeting, management and financial accounts, treasury and investments, human resources, and estates development and maintenance.

Learner, Curriculum and Skills (and Standards) committee.

The Learner, Curriculum and Skills along with the Standards committee is comprised of eight members. The committees operated in accordance with written terms of reference approved by the Board.

The committees meets on a termly basis to review all aspects of curriculum provision, delivery and performance in the Company.

Internal control

Scope of responsibility

The directors are ultimately responsible for the Institution's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board has delegated the day-to-day responsibility to the Principal for maintaining a sound system of internal control that supports the achievement of the Institution's policies, aims and objectives, whilst safeguarding the public funds and assets for which they are personally responsible, in accordance with the responsibilities assigned to them in the Financial Memorandum between Coleg Sir Gâr and WG. The Principal is also responsible for reporting to the Board any material weaknesses or breakdowns in internal control.

COLEG SIR GÂR

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Internal control (continued)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Institution policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Coleg Sir Gâr for the year ended 31 July 2024 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board reviewed the key risks to which the Institution is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the Institution's significant risks that has been in place for the year ending 31 July 2024 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board.

The risk and control framework

The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. In particular, it includes:

- Comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the Board;
- Regular reviews by the advisory committee and board of periodic and annual financial reports, which indicate the financial performance against forecasts;
- Setting targets to measure financial and other performance;
- Clearly defined capital investment control guidelines; and
- The adoption of formal project management disciplines, where appropriate.

Coleg Sir Gâr engages a firm of professional auditors to provide an internal audit service, which operates in accordance with the requirements of WG. The work of the internal audit service is informed by an analysis of the risks to which the Institution is exposed and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Board on the recommendation of the audit and risk management committee. The internal auditor provides the governing body with a report on internal audit activity in the institution at least once each year. The report includes the internal auditor's independent opinion on the adequacy and effectiveness of the Institution's system of risk management, controls and governance processes.

COLEG SIR GÂR

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Review of effectiveness

The Principal has responsibility for reviewing the effectiveness of the system of internal control. His review of the effectiveness of the system of internal control is informed by:

- the work of the internal auditor;
- the work of the executive managers within the Institution, who have responsibility for the development and maintenance of the internal control framework; and
- comments made by the Institution's financial statements auditor and WG's auditor in their management letters and other reports.

The Principal has been advised on the implications of the result of their review of the effectiveness of the system of internal control by the Audit and Risk Management committee, which oversees the work of the internal auditor, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The senior management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The senior management team and the Audit and Risk Management committee also receive regular reports from internal audit, which include recommendations for improvement. The Audit and Risk Management committee's role in this area is confined to a high level review of the arrangements for internal control. The Board's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit and Risk Management committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2024 meeting, the Board carried out the annual assessment for the year ended 31 July 2024 by considering documentation from the senior management team and internal audit, and taking account of events since 31 July 2024.

Based on the advice of the Audit and Risk Management Committee and the Principal, the Board is of the opinion that the Company has an adequate and effective framework for governance, risk management and control, and has fulfilled its statutory responsibility for "the effective and efficient use of resources, the solvency of the institution and the body and the safeguarding of their assets".

Statement on regularity, propriety and compliance

The Governing Body has considered its responsibility to notify the Welsh Government of material irregularity, impropriety and non-compliance with the terms and conditions of funding, under the financial memorandum and contracts in place between the College and the Welsh Government. As part of our consideration we have had due regard to the requirements of the financial memorandum and contracts with the Welsh Government.

We confirm on behalf of the Governing Body, that after due enquiry, and to the best of our knowledge, we are able to identify any material irregular or improper use of funds by the College, or material non-compliance with the terms and conditions of funding under the college's financial memorandum and contracts with the Welsh Government.

We confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Welsh Government.

COLEG SIR GÂR

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (CONTINUED)

Going concern

The activities of the College, together with the factors likely to affect its future development and performance are set out in the Strategic Report. The financial position of the College, its cash flow, liquidity and borrowings are presented in the Financial Statements and accompanying Notes.

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements. After reviewing these forecasts, the Directors are of the opinion that, taking account of severe but plausible downsides, including the anticipated impact of the energy & cost of living crisis, the College will have sufficient funds to meet its liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period). Consequently, the Directors have prepared the financial statements on a going concern basis.

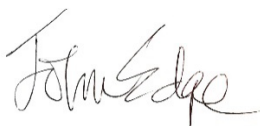
Training and Development – Board of Directors and Heads of Governance

- Prevent training in conjunction with the UWTSO Council in September 2023.
- Colegau Cymru online training on ALN and FE Finances
- All directors and the Clerk undertook online training in : Safeguarding; Prevent and GDPR.

External Review – Governance

An external review of Governance is undertaken at least once every 3 years. The last review was carried out by the Internal Audit Team – Mazars LLP - in May 2022.

By order of the Board



Mr John Edge

Director

Date: 12th December 2024

COLEG SIR GÂR

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLEG SIR GÂR; REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Coleg Sir Gar ("the College") for the year ended 31 July 2024 which comprise the Statement of Comprehensive Income, Statement of Changes in Reserves, Balance Sheet, Cash Flow Statement and related notes, including the Statement of Principal Accounting Policies and Estimation Techniques.

In our opinion the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2024 and of its surplus for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the College in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the College or to cease its operations, and as they have concluded that the College's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Directors' conclusions, we considered the inherent risks to the College's business model and analysed how those risks might affect the College's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the College's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the College will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Directors, the Audit and Risk Management Committee, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board of Directors and Audit and Risk Management Committee meeting minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

COLEG SIR GÂR

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLEG SIR GÂR; REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk that management may be in a position to make inappropriate accounting entries. On this audit we did not identify a fraud risk related to revenue recognition due to the non-complex revenue recognition criteria, which limits the opportunity to fraudulently manipulate revenue.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation of some of the College-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included journals posted to seldom used accounts and unbalanced journal entries.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Directors (as required by auditing standards), and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the College is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation and further education related legislation, including the Accounts Direction for Further Education Colleges in Wales issued by Welsh Government), distributable profits legislation and pensions legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the College is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, and employment law, recognising the nature of the College's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The Directors are responsible for the other information, which comprises the Public Benefit Statement, Strategic Report, Directors' Report, and the Statement of Corporate Governance and

COLEG SIR GÂR

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLEG SIR GÂR; REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Internal Control. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Strategic Report and the Directors' Report for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the College, or returns adequate for our audit have not been received from branches not visited by us; or
- the College financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 18, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We are required to report on the following matters under the Further Education Audit Code of Practice 2015 (effective 1 August 2014) ("the Audit Code of Practice") issued by the Welsh Government under the Learning and Skills Act 2000.

The regulation of the Welsh Further Education sector was transferred from the Welsh Government to Medr, the Commission for Tertiary Education and Research on 1 August 2024. The Audit Code of Practice, Accounts Direction for Further Education Colleges in Wales 2023/24 issued by Welsh Government ("2023/24 Accounts Direction") and Financial Memorandum Management Code issued by the Welsh Government remain in place at the date of our report. In view of this transfer, any reference to the Welsh Government in our report should be read as also referring to Medr.

COLEG SIR GÂR

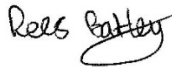
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLEG SIR GÂR; REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

In our opinion, in all material respects:

- monies expended out of Welsh Government grants and other funds from whatever source administered by the College for specific purposes have been properly applied to those purposes and, if appropriate, managed in compliance with all relevant legislation;
- funding received from the Welsh Government (and other bodies and restricted funds where appropriate) has been applied in accordance with the Financial Memorandum between the Welsh Government and further education institutions; and
- the financial statements meet the requirements of the 2023/24 Accounts Direction.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the College's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and paragraph 56(b) of the College's Articles of Association. Our audit work has been undertaken so that we might state to the College's members those matters we are required to state to them in an auditor's 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.



Rees Batley (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
66 Queen Square
Bristol
BS1 4BE
13 December 2024

COLEG SIR GÂR

COLLEGE STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2024

	Notes	2024 £000	2023 £000
Income			
Funding body grants	1	29,186	31,379
Tuition fees and education contracts	2	4,947	4,907
Other income	3	11,248	9,892
Investment income	4	754	468
Total income		46,135	46,646
Expenditure			
Staff costs	5	24,895	25,128
Fundamental restructuring costs	5	-	863
Other operating expenses	7	18,487	18,186
Depreciation	11	2,361	2,611
Interest and other finance costs	9	(330)	288
Total expenditure		45,413	47,076
Surplus/(Deficit) before other gains and losses		722	(430)
(Loss)/gain on disposal of fixed assets		0	0
Gain/(Loss) on investments		(12)	(7)
Surplus(Deficit) before tax		710	(437)
Taxation		-	-
Surplus/(Deficit) for the year		710	(437)
Actuarial gain/ (loss) in respect of pension schemes	21	(618)	15,475
Total Comprehensive Income for the year		92	15,038
Represented by :			
Unrestricted comprehensive income		92	15,038
Restricted comprehensive income		0	0
		92	15,038

All amounts are derived from continuing operations.

The accompanying notes are an integral part of the Financial Statements

COLEG SIR GÂR

STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDING 31 JULY 2024

	Income and Expenditure account	Revaluation reserve	Endowments	Total
		£000	£000	£000
Balance at 31st July 2022	13,684	7,957	22	21,663
Surplus/(Deficit) from the income & expenditure account	(437)	-	-	(437)
Other comprehensive income	15,475	-	-	15,475
Transfers between revaluation and income & expenditure reserves	192	(192)	-	0
Actuarial gain/(loss) in respect of the pension scheme	(6,410)			(6,410)
Movement	8,820	(192)	-	8,628
Balance at 31st July 2023	22,504	7,765	22	30,291
Surplus/(Deficit) from the income & expenditure account	710	-	1	711
Other comprehensive income	(618)	-	-	(618)
Transfers between revaluation and income & expenditure reserves	192	(192)	-	0
Movement	284	(192)	1	93
Balance at 31st July 2024	22,788	7,573	23	30,384

COLEG SIR GÂR

BALANCE SHEET AS AT 31 JULY 2024

		2024	2023
	Notes	£000	£000
Non-current assets			
Intangible fixed assets	10	-	-
Tangible fixed assets	11	28,778	30,088
Investments	12	236	248
Total fixed assets		29,014	30,336
Current assets			
Stocks	14	184	155
Trade and other receivables	15	3,625	2,013
Investments	13	17	17
Cash and cash equivalents	25	15,139	18,038
Total current assets		18,965	20,223
Less: Creditors: amounts falling due within one year	16	(7,396)	(8,697)
Net current assets		11,569	11,526
Total assets less current liabilities		40,583	41,862
Less: Creditors: amounts falling due after more than one year	17	(9,669)	(10,581)
Less: Provisions			
Defined benefit (obligation)/asset	21	0	0
Other provisions	18	(530)	(990)
Total net assets		30,384	30,291
Restricted reserves :			
Income and expenditure reserve - Endowment reserve	20	23	22
Unrestricted reserves :			
Income and expenditure reserve - unrestricted		22,788	22,504
Revaluation reserve		7,573	7,765
Total unrestricted reserves		30,361	30,269
Total reserves		30,384	30,291

The financial statements on pages 32 to 62 were approved and authorised for issue by the Board on the 12th December 2024 and were signed on its behalf on that date by:



Chair: _____
Date : 12th December 2024
Mr John Edge



Director: _____
Date: 12th December 2024
Mr Andrew Cornish

Company registration no.: 8539630
Charity registration no.: 1152522

COLEG SIR GÂR

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2024

	Notes	2024 £000	2023 £000
Net cash inflow/(outflow) from operating activities	22	(1,848)	2,411
Cash flows from financing activities	23	488	215
Cash flows from investing activities	24	(1,539)	(3,414)
<hr/>			
(Decrease)/Increase in cash and cash equivalents in the period		(2,899)	(788)
<hr/>			
Cash and cash equivalents at 1 August	25	18,038	18,826
Cash and cash equivalents at 31 July	25	15,139	18,038

COLEG SIR GÂR

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES FOR THE YEAR ENDED 31 JULY 2024

Basis of preparation

Coleg Sir Gâr is a company limited by guarantee and incorporated and domiciled in the United Kingdom.

These financial statements have been prepared in accordance with the Companies Act as adapted to the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), in accordance with Financial Reporting Standard 102 – “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (FRS 102), the Companies Act 2006 and with the applicable WG Circular (2023-24). Coleg Sir Gâr is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the College's accounting policies.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention as modified by the use of previous valuations of certain fixed assets as deemed cost at transition to FRS 102 as at 1 August 2014. The accounting rules set out below have been applied consistently.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Going concern

The activities of the College, together with the factors likely to affect its future development and performance are set out in the Strategic Report. The financial position of the College, its cash flow, liquidity and borrowings are presented in the Financial Statements and accompanying Notes.

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements. After reviewing these forecasts, the Directors are of the opinion that, taking account of severe but plausible downsides, including the anticipated impact of energy costs & the cost of living crisis, the College will have sufficient funds to meet its liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period). Consequently, the Directors have prepared the financial statements on a going concern basis.

Recognition of income

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. The recurrent grants from Welsh Government represent the funding allocations attributable to the current financial year and are credited direct to the income and expenditure account. Recurrent grants are recognised in line with planned activity. Any under-achievement against this planned activity is adjusted in-year and reflected in the level of recurrent grant recognised in the income and expenditure account.

Income from tuition fees is stated gross and recognised in the period for which it is received and includes all fees payable by students or their sponsors. Where the amount of tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income

COLEG SIR GÂR

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES FOR THE YEAR 31 JULY 2024 (continued)

Recognition of income (continued)

Income from Grants, contracts and other services rendered is included to the extent of the completion of the contract or service concerned. This is generally equivalent to the sum of the relevant expenditure incurred during the year and any related contributions towards overhead costs.

Donations with restrictions are recognised when relevant conditions have been met; in many cases recognition is directly related to expenditure incurred on specific purposes. Donations which are to be retained for the benefit of the institution are recognised in endowments; other donations are recognised by inclusion as other income in the income and expenditure account.

All income from short-term deposits is credited to the income and expenditure account in the period in which it is earned.

Non-recurrent grants from the Welsh Government or other government bodies received in respect of the acquisition or construction of fixed assets are treated as deferred capital grants and amortised in line with depreciation over the life of the assets under the accrual method as permitted by FRS 102.

Income from the sale of goods or services is credited to the income and expenditure account when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

Accounting for post-employment benefits

Post-employment benefits to employees of the College are provided by The Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes which are externally funded and contracted out of the State Second Pension.

The TPS is an unfunded scheme. Contributions to the TPS are charged to the income and expenditure 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. The contributions are determined by qualified actuaries on the basis of quinquennial valuations using a prospective benefit method. The TPS is a multi-employer scheme and the College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised as an actuarial movement in other comprehensive income. Actuarial gains and losses on liabilities are also recognised immediately in other comprehensive income. Where the calculation results in a net asset, recognition is limited to the extent to which the college is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. The directors have assessed that the Company is not able to recover the surplus through either reduced future contributions or through refunds from the plan, and as such, the asset ceiling has been applied reducing the surplus to NIL.

COLEG SIR GÂR

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES FOR THE YEAR 31 JULY 2024 (continued)

Short term employment benefits

Short term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render service to the College. Any unused benefits are accrued and measured as the additional amount the College expects to pay as a result of the unused entitlement.

Enhanced pensions

The actual cost of any enhanced ongoing pension to a former member of staff is paid by the College annually. An estimate of the expected future cost of any enhancement to the ongoing pension of a former member of staff is charged in full to the College's income and expenditure account in the year that the member of staff retires. In subsequent years a charge is made to provisions in the balance sheet using the enhanced pension spreadsheet provided by the funding bodies.

Tangible fixed assets

Tangible fixed assets are stated at cost / deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2015 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

(a) Land and buildings

Freehold buildings are depreciated over their expected useful economic life to the College of between ten and fifty years. Leasehold land and buildings are depreciated over 50 years or, if shorter, the period of the lease. Freehold land is not depreciated.

Where land and buildings are acquired with the aid of specific grants they are capitalised and depreciated as above. The related grants are credited to a deferred income account within creditors and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year.

Assets in the course of construction are not depreciated until the College has full use of the asset, at which time they are depreciated in accordance with the policy stated above.

Finance costs, which are directly attributable to the construction of land and buildings, are not capitalised as part of the cost of those assets.

On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings, which were revalued in 1998, as deemed cost but not to adopt a policy of revaluations of these properties in the future.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable. An annual review of impairment indicators is carried out annually at the financial statement reporting date.

(b) Equipment (including fixtures and fittings)

Equipment costing less than £3,000 per individual item is written off to the income and expenditure account in the period of acquisition. Grouped items, which are in aggregate above the threshold but individually under, will be reviewed specifically to determine the approach. All other equipment is capitalised at purchase cost. Equipment inherited from the Local Education Authority has not been included in the balance sheet, as it was their policy to charge the full purchase cost of the asset to the income and expenditure account in the year of acquisition.

Equipment is depreciated over its useful economic life as follows:

General equipment	5% - 25 % per annum
Computer equipment	20% - 33 % per annum
Fixtures and fittings	10% - 25 % per annum

COLEG SIR GÂR

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES FOR THE YEAR 31 JULY 2024 (continued)

Where equipment is acquired with the aid of specific grants it is capitalised and depreciated in accordance with the above policy. The related grants are credited to a deferred income account within creditors and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year.

Intangible fixed assets

The College has acquired a number of milk quotas for use in conjunction with the College's farming activities. The cost of the milk quotas has been classified as an intangible fixed asset. Milk quotas are amortised over a 10 year period on a straight-line basis.

Leased assets

Costs in respect of operating leases are charged on a straight line basis over the lease term. Any lease premiums or incentives relating to leases signed after 1st August 2014 are spread over the minimum lease term. The College has taken advantage of the transitional exemptions in FRS 102, and has retained the policy of spreading lease premiums and incentives to the date of the first market rent review for leases signed before 1st August 2014.

Leasing agreements which transfer to the College substantially all of the risks and rewards of ownership of an asset are treated as if the asset had been purchased outright. These are capitalised at their fair value at the inception of the lease, and depreciated over the shorter of the lease term or the useful economic lives of equivalently owned assets. The capital element outstanding is shown as obligations under finance leases.

The finance charges are allocated over the period of the lease in proportion to the capital element outstanding. Where finance lease payments are funded in full from funding council capital equipment grants, the associated assets are designated as grant-funded assets.

Investments

Investments in subsidiaries are accounted for at cost less impairment in the financial statements.

Listed investments held as non-current assets and current asset investments, are stated at fair value, with movements recognised in Comprehensive Income. Investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment in their value, estimated using a valuation technique.

Stocks

Stocks are stated at the lower of their cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. An investment qualifies as a cash equivalent when it has maturity of three months or less from the date of acquisition.

Maintenance of premises

The College has a ten-year rolling long-term maintenance plan which forms the basis of the ongoing maintenance of the estate. The cost of long-term and routine corrective maintenance is charged to the income and expenditure account as incurred.

COLEG SIR GÂR

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES FOR THE YEAR 31 JULY 2024 (continued)

Financial assets, liabilities and equity

Financial assets, liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All loans, investments and short term deposits held by the College are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost. Loans and investments that are payable or receivable within one year are not discounted.

Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial period with the resulting exchange differences being taken to income or expenditure in the period in which they arise.

Taxation

The College is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The College receives no similar exemption in respect of Value Added Tax.

The College's subsidiary company CCTA Enterprises Ltd is subject to corporation tax and VAT in the same way as any commercial organisation.

Provisions

Provisions are recognised when the College has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Livestock

Livestock is treated as a fixed asset where it is intended for use on a continuous basis for the College's activities. Livestock is revalued on an annual basis with no depreciation charge being made. The movement between successive valuations is charged or credited to the income and expenditure account.

Agency costs

The College acts as an agent in the collection and payment of financial contingency funds and educational maintenance allowances. Related payments received from Welsh Government and subsequent disbursements to students and institutions are excluded from the income and expenditure of the College where the College is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Accounting for charitable donations and endowments

Non-exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised in income when the College is entitled to the funds.

COLEG SIR GĂR

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES FOR THE YEAR 31 JULY 2024 (continued)

Accounting for charitable donations (continued)

Income is retained within the restricted reserve until such time that any donor imposed restrictions attached to the donations and endowments are met at which time the income is released to general reserves through a reserves transfer. Donations with no restrictions are recognised in income when the College is entitled to the funds.

Investment income and movements in fair value of endowments are recorded in income in the year in which they arise and as either restricted or unrestricted income according to the terms of the restrictions applied to the individual endowment funds.

There are three main types:

1. Unrestricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the institution
2. Restricted expendable endowments – the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the institution can convert the donated sum into income
3. Restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, management have made the following judgements:

- Determine whether there are indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- **Local Government Pension Scheme**

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 July 2024. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS

1 Funding body grants

	2024	2023
	£000	£000
Recurrent grant	22,224	24,313
Work based learning	4,719	3,858
Specific grants	923	1,735
Capital grants:		
Buildings	459	460
Equipment	861	1,013
	29,186	31,379

2 Tuition fees and education contracts

	2024	2023
	£000	£000
UK higher education students	3,673	3,598
UK further education students	151	33
Non-EU students	-	-
Total tuition fees paid by or on behalf of individual students	3,824	3,631
Education contracts		
Higher Education contracts	620	620
Other contracts	503	656
	4,947	4,907

3 Other income

	2024	2023
	£000	£000
Residencies and catering	903	849
Non-government capital grants	-	-
Farming activities	1,407	1,740
Other income-generating activities	3,047	1,661
Other grant income:		
European funds	-	2,515
Other funds	5,660	2,899
Other income	231	228
	11,248	9,892

4 Investment income

	2024	2023
	£000	£000
Interest receivable	754	468
	754	468

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

5 Staff costs

The average number of persons (including key management personnel) employed by the College during the year, expressed as full-time equivalents, was:

	2024	2023
	Number	Number
Teaching departments:		
Teaching staff	211	219
Other staff	21	21
	232	240
Teaching support services	13	15
Other support services	24	26
Administration and central services	95	95
Premises	17	19
Other income-generating activities	88	88
Catering and residences	-	-
Farm	10	10
	479	493
Based on an average Headcount basis :		
Teaching staff	286	323
Support Staff	291	336
Staff costs for the above persons:		
	2024	2023
	£000	£000
Teaching departments		
Teaching staff	12,957	12,800
Other staff	660	655
	13,617	13,455
Teaching support services	552	563
Other support services	971	968
Administration and central services	4,871	4,725
Premises	679	640
Other income-generating activities	4,010	3,849
Catering and residences	-	-
Farm	351	314
Restructuring costs	34	863
Pension costs	55	12
FRS 102 (Section 28 –Pension Cost)	(247)	592
Holiday pay accrual	2	10
	24,895	25,991
	2024	2023
	£000	£000
Wages and salaries	19,042	18,752
Social security costs	1,860	1,843
Other pension costs	3,959	4,533
	24,861	25,128
Restructuring costs	34	863
	24,895	25,991

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

5 Staff costs (continued)

The number of staff, including key management personnel (as defined in note 6), who received emoluments in the following ranges were:

	2024 Number	2023 Number
£60,001 - £65,000	3	3
£65,001 - £70,000	4	4
£70,001- £75,000	2	-
£75,001 - £80,000	-	-
£80,001 - £85,000	-	-
£85,001 - £90,000	-	2
£90,001 - £95,000	-	1
£95,000 - £100,000	2	2
£100,000 - £105,000	1	-
£105,000 - £110,000	-	-
£110,000 - £ 115,000	-	-
£175,000 - £180,000	1	1
	13	13

A pay award of 5 % was approved by the Board and paid with effect from 1 August 2023 for all staff, excluding the Principal who received 0 % (2023: 6.5 %).. For these purposes, emoluments include taxable benefits in kind but not employer pension costs. There were no staff within the £ 105,000 - £ 175,000 range.

6 Key management personnel emoluments

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the College Leadership Team which comprises the Principal, and vice principals.

The number of key management personnel, including the Principal, was 4 (2023: 4).

	2024 Number	2023 Number
£85,001 - £90,000	-	-
£90,001 - £95,000	-	1
£95,000 - £100,00	2	2
£100,001 - £ 105,000	1	-
£175,000 - £ £180,000	1	1
	4	4

Key management personnel emoluments are made up as follows:

	2024 £	2023 £
Salaries	471,044	464,778
Benefits in kind	4,973	3,598
	476,017	468,376
Pension contributions	114,196	106,424
Total emoluments	590,213	574,800

The above emoluments include amounts payable to the Principal (who is also the highest paid member of the key management) of:

	2024 £	2023 £
Salaries	173,595	172,974
Benefits in kind	4,500	3,598
	178,095	176,572
Pension contributions	44,000	40,960
Total emoluments	222,095	217,532

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

The pension contributions in respect of the Principal and other senior post-holders are in respect of employer's contributions to the Local Government and Teachers Superannuation Schemes and are paid at the same rate as for other employees.

The Board members, other than the Principal and staff members, did not receive any payment from the College other than the reimbursement of travel and subsistence expenses of £1,635 (2023: £497) incurred in the course of their duties.

The Principal didn't receive a pay increase in 2024 (2023: 6.5 %), but other higher paid staff (including key management personnel), received a pay increase of 5% during the year (2023: 6.5%). No additional bonuses or other salary enhancements were awarded to key management personnel or other higher paid staff (2023: nil). The Principal's salary, as a multiple of the median of all employees pay (all full and part time staff but excluding agency workers) was 5.3 in 2024 (2023 : 5.5). Similarly, the multiple based on all emoluments was 5.5 in 2024 (2023 : 5.7).

The remuneration of the Principal is benchmarked on typical Further Education institutions of a similar size and complexity and reflects the challenges and magnitude of the role. Coleg Sirgar, combined with its' subsidiary company, Coleg Ceredigion, is a large company with a combined turnover of over £ 50 m with a staff headcount of over a 650, split across a very diverse area; indeed, crossing 2 counties : Carmarthenshire and Ceredigion. The task of managing the 7 sites, so widely dispersed, is complicated and challenging.

Key performance measures would include achieving the highest possible standards of quality in terms of our teaching and learning operation whilst providing an exciting, innovative and inclusive environment for students and staff to work within, and at all times to do so within the resources provided.

A constant challenge is to achieve efficiency of operations, combined with a drive to seek out and secure new sources of income where possible. This can only be achieved by working with all the college stakeholders, of which there are many, and ensuring a harmonious, collaborative and fair environment to all.

In addition, since the college is part of a wider group as a subsidiary of the University of Wales : Trinity Saint David, the Principal plays an important role in terms of working closely with the university to achieve mutually beneficial planned and agreed objectives, designed to create the highest level of teaching quality and learner experience whilst facilitating a lifelong learning culture and environment.

The Principal reports directly to the Board of Directors who are ultimately responsible for the performance of the college. The Directors also evaluate and assess the Principal's effectiveness in terms of managing the college and similarly, the remuneration package for the role.

The Directors have carried out an assessment with regards the Principal's salary and believe, that the salary is commensurate with the role at the college. To derive this conclusion, an assessment of the size, complexity, challenges and responsibility would have been undertaken, along with a benchmarking exercise of other FE colleges of similar size and complexity.

Severance Payments

The college paid 1 severance payment in the year, disclosed in the following bands :

	2024
	Number
£0 - £25,000	-
£25,001 - £50,000	1
£50,001 - £100,00	-
£100,001 - £ 150,000	-
£150,000 +	-
	1

Included in staff restructuring costs is a special severance payment totalling £34,000.

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

Trade union facility Time

The Trade Union (Facility Time Publication Requirements) Regulations 2017) require the college to publish information on facility time arrangements for trade union officials at the college.

Number of Employees who were relevant union officials during 23-24 : 15 (FTE : 13.16)

	<u>Percentage of time</u>	<u>No of Employees</u>
Percentage of time spent on facility time	0 - 1%	-
	1 - 50 %	15
	50 - 100 %	-
Total Facility time		£ 33,579
Total pay for union representatives		£ 622,876
Percentage of pay spent on facility time		5.39 %

Time spent on paid trade union activities as a percentage of total paid facility time 5.39 %

7 Other operating expenses

	2024	2023
	£000	£000
Teaching departments	1,242	1,673
Teaching support services – libraries & resource centres	52	52
- examination fees	792	643
- student transport	1,263	1,038
Other support services	46	51
Administration and central services	8,001	7,186
General education expenditure	336	376
Premises:		
Running costs	1,517	1,252
Routine maintenance	969	1,366
Rents and leases	139	152
Planned maintenance	-	-
Other income generating activities	32	31
Catering and residence operations	1,056	893
Farming activities	910	1,135
Franchised provision	875	835
Irrecoverable value added tax	1,257	1,503
	18,487	18,186

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

Other operating expenses include:

	£000	£000
Auditor's remuneration:		
Financial statements audit	40	38
Other services provided by the financial statements auditor (regulatory return services)	6	6
Internal audit	22	22
Registration fees	82	83
Hire of other assets – operating leases	128	149

8 Costs in respect of overseas activities

The following costs were incurred during 2023-2024 in respect of overseas activities, which were carried out in accordance with the strategy approved by the governing body:

	Travel and Accommodation £	Subsistence Hospitality £	Other Costs £	Number of Visits
Members	-	-	-	-
Key management personnel	-	190	-	4
Other staff	-	200	-	1
	-	390	-	5

9 Interest and other finance costs

	2024 £000	2023 £000
On finance leases	41	29
Pension finance costs (see note 21)	(371)	259
	(330)	288

10 Intangible fixed assets

	Milk quota £000
Cost	
At 1 August 2023 and 31 July 2024	302
Accumulated Amortisation	
At 1 August 2023	302
Charge for the year	-
At 31 July 2024	302
Net book value	
At 31 July 2024	-
At 31 July 2023	-

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

11 Tangible fixed assets

	Freehold land and buildings £000	Equipment £000	Fixtures and fittings £000	Livestock £000	Total £000
Cost or valuation					
At 1 August 2023	43,927	9,951	3,984	381	58,243
Additions	52	480	400	119	1,051
Revaluation	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 July 2024	43,979	10,431	4,384	500	59,294
Accumulated Depreciation					
At 1 August 2023	16,892	7,853	3,410	-	28,155
Charge for the year	921	1,087	353	-	2,361
Eliminated on disposal	-	-	-	-	-
At 31 July 2024	17,813	8,940	3,763	-	30,516
Net book value					
At 31 July 2024	26,166	1,491	621	500	28,778
At 31 July 2023	27,035	2,098	574	381	30,088

Analysis of net book value at 31 July 2024

Inherited	7,574	-	-	-	7,574
Financed by capital grant	9,930	738	-	-	10,668
Other	8,662	753	621	500	10,536
	26,166	1,491	621	500	28,778

Land and buildings were revalued in 1998 at depreciated replacement cost by Cooke & Arkwright, a firm of independent chartered surveyors. On adoption of FRS 102, revalued properties have been treated as deemed cost. The analysis of cost or valuation of the tangible fixed assets as at 31 July 2024 is as follows:

Cost or valuation at 31 July 2024 represented by:

Valuation in 1998 (see above)	19,716	-	-	500	20,216
Cost	24,263	10,431	4,384	-	39,078
	43,979	10,431	4,384	500	59,294

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

11 Tangible assets (continued)

Freehold land and buildings

	Occupied for own use £000	Investment properties £000	Properties under development £000	Total £000
Cost or valuation				
At 1 August 2023	43,927	-	-	43,927
Transferred in the year	-	-	-	-
Additions	52	-	-	52
Disposals	-	-	-	-
At 31 July 2024	43,979	-	-	43,979
Accumulated Depreciation				
At 1 August 2023	16,892	-	-	16,892
Charge for the year	921	-	-	921
Disposals	-	-	-	-
At 31 July 2024	17,813	-	-	17,813
Net book value				
At 31 July 2024	26,166	-	-	26,166
At 31 July 2023	27,035	-	-	27,035
Analysis of net book value at 31 July 2024				
Inherited	7,574	-	-	7,574
Financed by capital grant	9,930	-	-	9,930
Other	8,662	-	-	8,662
	26,166	-	-	26,166

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

12 Non-current investments

	2024 College £000	2023 College £000
Investment in subsidiary company	-	-
Other non-current asset investments	236	248
	236	248

The College's investments are in the following subsidiaries:

Name of company	Holding	Country of Incorporation	Activity
Coleg Ceredigion	Limited by Guarantee	Wales	Further Education College
CCTA Enterprises Limited	100%	Wales	Dormant
Rareblend Limited	100%	Wales	Dormant

Other non-current asset investments

	Listed investments £000	Other investments £000	Total £000
Cost or valuation			
At 1 August 2023	45	203	248
Additions	-	-	-
Revaluation	(12)	-	(12)
At 31 July 2024	33	203	236
Cost or valuation at 31 July 2024 represented by:			
Valuation	33	-	33
Cost	-	203	203
	33	203	236

13 Current investments

	2024 £000	2023 £000
Endowment assets		
Balance at 1 August	17	17
Increase in value of investments	-	-
Income for the year	-	-
Expenditure for the year	-	-
Balance at 31 July	17	17
Represented by:		
COIF Charities Investment Fund Holdings	17	17
	17	17

14 Stock

	2024 £000	2023 £000
Livestock for resale	184	155
Other stock	-	-
	184	155

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

15 Trade and other receivables

	2024	2023
	£000	£000
Amounts falling due within one year:		
Trade debtors	158	301
Amounts owed by group undertakings : subsidiaries	-	-
other	168	104
Prepayments and accrued income	3,299	1,608
	3,625	2,013

Note: Amounts owed by group undertakings are repayable on demand and interest free. Other refers to the parent company UWTSD

16 Creditors: amounts falling due within one year

	2024	2023
	£000	£000
Obligations under finance leases	161	152
Payments received in advance	1,320	2,593
Trade payables	1,517	1,340
Amount owed to group undertakings : subsidiary	-	14
Amount owed to group undertakings Other	197	106
Taxation and social security	454	689
Accruals and deferred income	2,427	2,330
Deferred income – government capital grants	1,320	1,473
	7,396	8,697

Note: Amounts owed to group undertakings are repayable on demand and do not accrue interest

17 Creditors: amounts falling due after more than one year

	2024	2023
	£000	£000
Bank loans and overdrafts	-	-
Obligations under finance leases	321	202
Deferred income - government capital grants	9,348	10,379
Total	9,669	10,581

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

17 Creditors: amounts falling due after more than one year (continued)

Finance leases

	2024 £000	2023 £000
The net finance lease obligations to which the institution is committed are :		
In one year or less	161	152
Between two and five years	321	202
In five years or more	-	-
	482	354

18 Other provisions

	Enhanced Pension Provision £000	HE Fees £000	ESF £000	Total £000
At 1 August 2023	542	229	219	990
Utilised in the period	(66)	-	-	(66)
Released in the period	-	(229)	(219)	(448)
Transferred from income and expenditure account	54	-	-	54
At 31 July 2024	530	-	-	530

The ESF provision relates to a potential repayment of European Funds in relation to the overhead methodology. The HE Fees is in relation to a potential reclaim of course fees by students. The enhanced pension provision relates to staff who have already left the College's employ and commitments for reorganisation costs from which the College cannot reasonably withdraw at the balance sheet date. The provision has been recalculated in accordance with the latest LSC circular. The principal assumptions for this calculation are:

	2024	2023
Interest rate	4.8 %	5.0 %
Net interest rate	2.8 %	2.8 %

COLEG SIR GÂR
NOTES TO THE FINANCIAL STATEMENTS (continued)

19 Deferred income – capital grants

	2024	2023
	£000	£000
Amounts falling due within one year	1,320	1,473
Amounts falling due after more than one year	9,348	10,379
	10,668	11,852

The movement in capital grants is as follows:

	WG	Other grants	Total
	£000	£000	£000
At 1 August 2023			
Land and buildings	8,127	2,263	10,390
Equipment	1,283	179	1,462
Cash received			
Land and buildings	-	-	-
Equipment	136	-	136
Released to income and expenditure account			
Land and buildings	(354)	(105)	(459)
Equipment	(706)	(155)	(861)
At 31 July 2024			
Land and buildings	7,773	2,158	9,931
Equipment	713	24	737
	8,486	2,182	10,668

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

20 Endowment reserves

Year ended 31st July 2024

	Unrestricted Permanent £000	Restricted Expendable £000	Restricted Permanent £000	Restricted Total £000	Total £000
Balance at 1 August 2023					
Capital	-	22	-	22	22
Accumulated interest	-	-	-	-	-
Total	-	22	-	22	22
Increase in market value of investments	-	2	-	2	2
Expenditure for the year	-	(1)	-	(1)	(1)
Balance at 31 July 2024					
Capital	-	23	-	23	23
Accumulated interest	-	-	-	-	-
Total	-	23	-	23	23
Representing:					
Fellowship and scholarship funds	-	22	-	22	22
Prize funds	-	1	-	1	1
Total	-	23	-	23	23

Year ended 31st July 2023

	Unrestricted Permanent £000	Restricted Expendable £000	Restricted Permanent £000	Restricted Total £000	Total £000
Balance at 1 August 2022					
Capital	-	22	-	22	22
Accumulated interest	-	-	-	-	-
Total	-	22	-	22	22
Increase in market value of investments	-	1	-	1	1
Expenditure for the year	-	(1)	-	(1)	(1)
Balance at 31 July 2023					
Capital	-	22	-	22	22
Accumulated interest	-	-	-	-	-
Total	-	22	-	22	22
Representing:					
Fellowship and scholarship funds	-	21	-	21	21
Prize funds	-	1	-	1	1
Total	-	22	-	22	22

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

21 Pension and similar obligations

The College's employees belong to two principal pension schemes, the Teachers Pension Scheme (TPS) which is unfunded and the Local Government Pension Scheme (LGPS) which is funded. Both are multi-employer defined benefit plans, the assets of the schemes being held in separate trustee-administered funds.

The total pension cost for the College was:

	2024	2023
	£000	£000
TPS: Contributions paid	2,521	2,333
LGPS: Charge to the Statement of Comprehensive Income:		
Contributions paid	1,630	1,596
FRS 102 charge	(247)	592
Staff restructuring (see below)	55	12
Total pension cost	3,959	4,533
	2024	2023
	£000	£000
Staff restructuring		
Benefits recharged during the year by the LGPS	67	61
Other staff restructuring costs	(12)	(49)
	55	12
	2024	2023
	£000	£000
Total Contributions to LGPS		
Benefits recharged during the year by the LGPS	67	61
Employer normal contributions	1,630	1,596
	1,697	1,657

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

LGPS (Local Government Pension Scheme)

The last full actuarial valuation was performed on 31 March 2022 at which date the market value of assets of the scheme was £3,243 million. The actuarial value of the assets represented 113 % of the fund's accrued liabilities after allowing for future increases in earnings. This equates to a surplus of £372 m.

The funding objective as set out by the FSS is to achieve and maintain a solvency funding level of 100 % of liabilities. In line with the FSS, where a shortfall exists at the effective date of the valuation a deficit recovery plan will be put in place which requires additional contributions to correct the shortfall. The directors have assessed that the Company is not able to recover the surplus through either reduced future contributions or through refunds from the plan, and as such, the asset ceiling has been applied reducing the surplus to NIL. . At this valuation, the average recovery period for employers in deficit is 9 years and for employers in surplus 14 years (subject to the surplus buffer).

The agreed contribution rate for the College year commencing 1 April 2024 is 19.8 % (2023: 20%), plus a fixed monthly payment of £0 (2023 : £0 per annum). The next scheme valuation will be on the 31st March 2025 with new contribution rates applicable from April 2026

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

21 Pension and similar obligations (continued)

An actuarial valuation of the scheme was also carried out at 31 July 2024, 31 July 2023 and at 31 July 2022 by a qualified independent actuary using the projected unit method. The major assumptions used by the actuary were:

	2024	2023	2022
Rate of inflation - CPI	2.60%	2.70%	2.70%
Rate of increase in salaries	4.10%	4.20%	4.20%
Rate of increase in pensions	2.70%	2.80%	2.80%
Discount rate	4.90%	5.10%	3.50%

Post Retirement Mortality assumptions

Beginning of period:

- Non-retired members SAPS 3 CMI 22 (1.5%) (105 % males,97 % females)
- Retired Members SAPS 3 CMI 22 (1.5 %) (102%males,97% females)

End of period:

- Non-retired members SAPS 4 CMI 23 (1.5%) (103% males ,97% females)
- Retired members SAPS 4 CMI 23 (1.5 %) (100% males,97 % females)

Life expectancy	Years	Years	Years
Retiring Today - Males	21.4	21.4	23.0
Retiring Today - Females	23.8	23.7	24.9
Retiring in 20 years' time - Males	22.8	22.8	24.4
Retiring in 20 years' time – Females	25.6	25.5	27.1

Estimated Asset allocation:

	2024	2023	2022
	Split	Split	Split
	%	%	%
Equities	73.2	73.1	70.4
Government bonds	0.0	0.2	1.4
Other bonds	9.3	8.5	7.3
Property	10.8	13.2	15.8
Cash/Other	6.7	5.0	5.1
	100.0	100.0	100.0

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

21 Pension and similar obligations (continued)

The following amounts at 31 July 2024, 31 July 2023 and at 31 July 2022 were measured in accordance with the requirements of FRS 102 (note that IAS 19 has been used to calculate the value of pension surplus to be recognised on the balance sheet which concluded that the surplus should be restricted to NIL – see LGPS Policy under policies on page 37 for more detail):

	2024	2023	2022
	£000	£000	£000
Fair value of plan assets	63,142	57,252	54,837
Liabilities	(54,255)	(50,842)	(63,051)
Surplus / (Deficit) in the scheme	8,887	6,410	(8,214)
Effect of the asset ceiling	(8,887)	(6,410)	-
Recognised pension asset / (liability)	-	-	(8,214)
Present Value of unfunded liability	565	603	
Recognised pension liability	565	603	

The following components of the pension charge have been recognised in the Statement of Comprehensive Income for the years ended 31 July 2024 and 31 July 2023:

	2024	2023
	£000	£000
Amounts recognised in the statement of Comprehensive Income :		
Amounts included in staff costs		
Current service cost	(1,417)	(2,192)
Administration cost	(33)	(32)
Curtailement cost	-	(25)
Operating cost	(1,450)	(2,249)
Analysis of amounts charged to financing of provisions		
Remeasurement of assets	2,933	1,936
Interest on pension liabilities	(2,562)	(2,195)
Net finance (cost)/income	371	(259)
Amounts recognised in other Comprehensive Income		
Remeasurements of assets	2,483	(435)
Effects of changes in assumptions underlying the present value of scheme liabilities	(624)	15,910
Actuarial (loss)/gain	1,859	15,475
Asset Ceiling impact	(2,477)	-
Other Comprehensive Income	(618)	-

In the prior year the effect of the asset ceiling of £ 6,410,000 on the LGPS pension asset was recognised directly in equity. This should have been recognised within other comprehensive income. As the Directors do not consider the effect on the prior period financial statements to be material, the comparatives have not been restated for this matter. This matter had no impact on the previously reported deficit for the year or total net assets.

Movement in the College's share of the scheme's deficit during the year

Surplus/(Deficit) in scheme as at 1 August	6,410	(8,214)
Operating cost	(1,450)	(2,249)
Net finance (cost)/income	371	(259)
Actuarial (loss)/gain	1,859	15,475
Contributions	1,697	1,657
Surplus/(Deficit) in scheme as at 31 July	8,887	6410
Effect of asset ceiling	(8,887)	(6,410)
Recognised pension asset/(liability)	-	-

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

21 Pension and similar obligations (continued)

Asset and Liability Reconciliations:

	2024	2023
Reconciliation of Liabilities	£000	£000
Liabilities at start of year	50,842	63,051
Current service cost	1,417	2,192
Interest cost	2,562	2,195
Contribution by scheme participants	511	497
Changes in financial assumptions	937	(17,618)
Changes in demographic assumptions	(122)	(2,189)
Experience (gain)/loss	(192)	3,897
Benefits paid	(1,700)	(1,208)
Curtailments and settlements	-	25
Liabilities at end of year	54,255	50,842
Reconciliation of Assets	2024	2023
	£000	£000
Assets at start of year	57,252	54,837
Remeasurement of assets	2,933	1,936
Actuarial gain/(loss)	2,482	(435)
Administration expenses	(33)	(32)
Contributions by the employer	1,697	1,657
Contributions by the scheme participant	511	497
Benefits paid	(1,700)	(1,208)
Assets at end of year	63,142	57,252

The expected return on assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields at the balance sheet date. Expected returns on equity investments reflect long-term rates of return experienced in the respective markets.

Reconciliation of asset ceiling £'000

Effect of the asset ceiling – start of period	(7,013)
P& L : Net Interest	358
OCI : Remeasurement gain/(loss)	2,081
Effect of the asset ceiling – end of period	(9,452)

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

Pension and similar obligations (continued)

History of experience gains and losses

Remeasurements of assets:		
Amount (£000)	2,482	(435)
Percentage of scheme assets	3.9%	-0.8%
Experience gains and losses arising on scheme liabilities:		
Amount (£000)	-	-
Percentage of scheme liabilities	-	-
Effects of changes in assumptions underlying the present value of scheme:		
Amount (£000)	(624)	15,910
Percentage of scheme liabilities	(1.1)%	31.3%
Total of amounts recognised in the statement of Comprehensive income:		
Amount (£000)	1,859	15,475
Percentage of scheme liabilities	3.4%	30.4%

Sensitivity Analysis

Disclosure item	Central	Sensitivity 1	Sensitivity 2	Sensitivity 3	Sensitivity 4	Sensitivity 5	
		+ 0.5 % p.a. discount	+0.25 % p.a inflation	+0.25 % p.a pay growth	1 year increase in life expectancy	+/-1% change in 2023/24 investment returns : + 1%	-1%
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Liabilities	54,255	49,832	56,612	54,734	55,451	54,255	54,255
Assets	(63,142)	(63,142)	(63,142)	(63,142)	(63,142)	(63,776)	(62,508)
Deficit/(Surplus) exc ceiling impact	(8,887)	(13,310)	(6,530)	(8,408)	(7,691)	(9,521)	(8,253)
Projected service cost for next year	1,452	1,267	1,554	1,452	1,490	1,452	1,452
Projected net interest cost for next year – exc ceiling impact	(477)	(764)	(359)	(451)	(416)	(508)	(446)

"The methodology for calculating the discount rate has changed from the Mercer's in-house yield curve to the Mercer AA Yield Curve (with expanded dataset). Mercer's confirmation in their assumptions advice that the discount rate would have been 0.1% higher under the previous methodology.. Based on the disclosed sensitivity for discount rate, the change in methodology increases the DBO by around £960k. "

On 25 July 2024, the Court of Appeal dismissed the appeal in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others. The appeal was brought by Virgin Media Ltd against aspects of the High Court's ruling handed down in June 2023 relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. The Court of Appeal upheld the High Court's ruling. The ruling may have implications for other UK defined benefit plans. It is understood this may or may not apply to the LGPS and HM Treasury is currently assessing the implications for all public service pension schemes. No further information is available at this stage.."

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

Pension and similar obligations (continued)

TPS (Teachers Pension Scheme)

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools, colleges and other educational establishments. Membership is automatic for teachers and lecturers at eligible institutions. Teachers and lecturers are able to opt out of the TPS.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act. Retirement and other pension benefits are paid by public funds provided by Parliament.

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The college is unable to identify its share of the underlying assets and liabilities of the plan.

Accordingly, the college has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The college has set out above the information available on the plan and the implications for the college in terms of the anticipated contribution rates.

The valuation of the TPS is carried out in line with regulations made under the Public Service Pension Act 2013. Valuations credit the teachers' pension account with a real rate of return assuming funds are invested in notional investments that produce that real rate of return.

The latest actuarial review of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education (the Department) in October 2023. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service at the effective date of £262 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222 billion giving a notional past service deficit of £40 billion (compared to £22 billion in the 2016 valuation)

As a result of the valuation, new employer contribution rates will rise to 28.68% from April 2024 (compared to 23.68% during 2018/9).

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

The pension costs paid to TPS in the year amounted to £2.521,000 (2023: £2,333,000)

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

22 Reconciliation of consolidated operating surplus/(deficit) to net cash inflow/(outflow) from operating activities

	2024	2023
	£000	£000
Surplus/(Deficit) for the year	711	(437)
Adjustments for investing or financing activities:		
Interest paid	41	29
Interest (received)	(754)	(468)
Adjustments for non-cash items:		
Depreciation (note 11)	2,361	2,611
Increase/(decrease) in provision for bad and doubtful debts	(46)	(31)
Surplus on disposals of fixed assets	-	-
Revaluation of investments	12	7
Deferred capital grants released to income:		
WG (note 1)	(1,320)	(1,473)
Specific grants released to income	(177)	(900)
Pension cost less contributions payable	(618)	851
(Increase)/Decrease in stocks	(148)	85
Decrease/ (Increase) in debtors	188	81
(Increase)/decrease in prepayments and accrued income	(1,754)	2,006
Increase/(decrease) in creditors	177	315
(Decrease)/increase in other taxation and social security	(236)	263
Increase/(decrease) in accruals	175	(478)
Increase/(decrease) in provisions	(460)	(50)
Net cash inflow/(outflow) from operating activities	(1,848)	2,411

23 Cash flows from financing activities

	2024	2023
	£000	£000
Interest received	754	468
Interest element of finance lease rental payments	(41)	(29)
Capital element of finance lease payments	(225)	(224)
	488	215

24 Cash flows from investing activities

	2024	2023
	£000	£000
Payments to acquire tangible fixed assets	(579)	(967)
Proceeds from disposal of tangible fixed assets	-	-
Proceeds from disposal of investments	-	-
Deferred capital grants received	136	490
Unspent specific grants released	(1,096)	(2,937)
	(1,539)	(3,414)

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

25 Cash and cash equivalents

	2024	2023
	£000	£000
Cash in hand and at bank	14,903	17,814
Cash Equivalents	236	224
Net cash	15,139	18,038

26 Capital commitments

	2024	2023
	£000	£000
Commitments contracted for at 31 July	-	-

27 Financial commitments

At 31 July 2024 the College was committed to making the following minimum lease payments under non-cancellable operating leases:

	2024	2024	2023	2023
	Land and	Other	Land and	Other
	buildings	£000	buildings	£000
	£000	£000	£000	£000
Not later than one year	49	51	42	14
Later than one year and not later than five years	16	107	16	116
Later than five years	-	-	-	-
	65	158	58	130

28 Related party transactions

The College maintains a register of its interests for Directors of the Company and key management personnel. The following were outstanding / carried out during the year ended 31st July 2024:

CCTA Enterprises Ltd

- £ 250 receivable (2023 : £250), £0 payable (2023 : £0)
- Total income for the year £0 (2023 : £ 0), total purchases £0 (2023 : £ 0)

Coleg Ceredigion - Group Member

- £0 receivable (2023: £0), £0 payable (2023 : £0)
- Total income for the year £0 (2023: £0), total purchases £28,870 (2023: £13,699)

UWTSD – Parent

- £167,879 receivable (2023: £104,068) , £197,136 payable (2023: £106,616)
- Total income for the year £3,569,700 (2023: £3,759,092), total purchases £972,966 (2023: £954,887)

Fforwm Services Limited

- £ 0 receivable (2023 : £ 0), £0 payable (2023: £0)
- Total Income £ 23,022 (2023 : £28,594),Total purchasesr £68,023 (2023: £65,996)

Note : Transactions amongst the group companies are for services rendered. FForwm, is the subscription cost for the Colleges Wales services provided to all Welsh FE colleges. Income is grant drawdown.

COLEG SIR GÂR

NOTES TO THE FINANCIAL STATEMENTS (continued)

29 Amounts dispersed as agents

The College acts as agent in the administration of learner support funds which are available solely for students. The grants and related disbursements are excluded from the income and expenditure account.

Financial Contingency Funds	2024			2023		
	WG £000	HEFCW £000	Total £000	WG £000	HEFCW £000	Total £000
Balance unspent at 1 August	71	-	71	61	-	61
Grants received	397	-	397	431	-	431
Available for distribution	468	-	468	492	-	492
Disbursed to students	(446)	-	(446)	(410)	-	(410)
Administration costs	(11)	-	(11)	(11)	-	(11)
Balance unspent at 31 July	11	-	11	71	-	71

30 Ultimate parent undertaking

The ultimate parent undertaking and controlling party is the University of Wales: Trinity Saint David, a Higher Education Corporation. The results of the Company have been incorporated in the University of Wales: Trinity Saint David consolidated financial statements, which form the largest and smallest group for which the Company's statements are consolidated, copies of which are obtained from the following address:

University of Wales: Trinity Saint David
Carmarthen
SA31 3EP