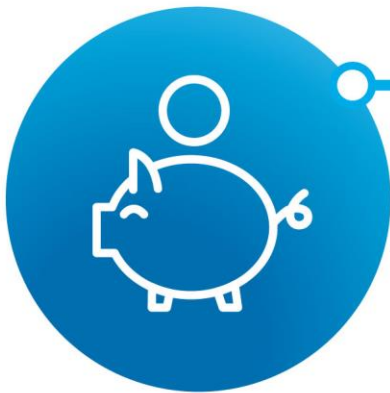




# REPORT AND FINANCIAL STATEMENTS

For the year ended  
31 July 2024



## Key Management Personnel, Board of Governors and Professional Advisers

### Key management personnel

Key management personnel are defined as the College Senior Post Holders and were represented by the following in 2023/24:

Yanina Williams, Chief Executive, Accounting Officer  
Steve Jackson, Chief Operating Officer and Deputy Chief Executive  
Sue Price, Principal and Deputy Chief Executive  
Cath Sullivan, Deputy Chief Executive People Experiences and Culture

### Board of Governors

A full list of Governors is given on pages 24 and 25 of these financial statements.

Ms Sian Clark acted as Governance Officer and Clerk to the Governing Body throughout the period.

### Professional advisers

#### Financial statements and funding data auditors:

Cooper Parry Group Limited  
Cubo Birmingham  
Office 401, 4<sup>th</sup> Floor  
Two Chamberlain Square  
Birmingham  
B3 3AX

#### Internal auditors:

Wbg Services LLP  
168 Bath Street  
Glasgow  
G1 4TP

#### Bankers:

Lloyds Bank  
1<sup>st</sup> Floor, 5 St Paul's Square  
Old Hall Street  
Liverpool  
L3 9SJ

#### Solicitors:

Weightmans LLP  
100 Old Hall Street  
Liverpool  
L3 9QJ

**CONTENTS**

	<b>Page number</b>
Report of the Governing Body	3
Statement of Corporate Governance and Internal Control	20
Statement of regularity, propriety and compliance	28
Statement of Responsibilities of the Members of the Governing Body	29
Independent Auditors' Report to the Governing Body of Coleg Cambria	30
Statement of Comprehensive Income	32
Balance Sheet as at 31 July	33
Statement of Changes in Reserves	34
Statement of Cash Flows	35
Notes to the Accounts	36-59

## Report of the Governing Body

### NATURE, OBJECTIVES AND STRATEGIES:

The members present their report and the audited financial statements for the year ended 31 July 2024.

### Legal Status

The Corporation was established under the Further and Higher Education Act 1992 for the purpose of conducting Coleg Cambria. The College is an exempt charity for the purposes of Part 3 of the Charities Act 2011.

### Vision

Our Inspirational Vision of the Future:

*“Exceeding expectations through education, innovation and inspiration”*

### Values

At Coleg Cambria, colleagues have created a shared set of values that are explicit in how we want to be treated to develop our culture.

Our values are:



### Public benefit

The College is an exempt charity and is regulated by the Welsh Government as Principal Regulator for all FE Corporations in Wales. The members of the Governing Body, who are trustees of the charity, are disclosed on pages 24 and 25.

In setting and reviewing the College’s strategic objectives, the Governing Body 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. In delivering its mission, the College provides the following identifiable public benefits through the advancement of education:

- High-quality teaching
- Widening participation and tackling social exclusion
- Excellent employment record for students
- Strong student support systems
- Links with employers, industry and commerce

The delivery of public benefit is set out in this report of the Governing Body.

### Implementation of Strategic Plan

Our Strategic Plan - the Governing Body approved “Coleg Cambria Strategic Plan 2020 – 2025” for the period 1 August 2020 to 31 July 2025. The plan succinctly sets our ambition in terms of our commitments, our culture and strategic aims. Progress on the plan and its associated annual operating plans is regularly scrutinised by the Board.

### Strategic Aims

Our strategic aims provide us with a set of key areas, which will focus the direction we take over the next few years. Each aim represents what is fundamentally important to the college and helps all staff work towards shared goals.

- **National:** Ensure that the college maximises the opportunities of being a key educational provider in Wales, supporting its language and culture and responding to national policies innovatively and collaboratively.
- **Financial:** Maintain a robust and sustainable financial position to meet strategic aims by managing efficiently, effectively and responsively.
- **Local Communities:** Proud to be at the heart of our communities, actively engaging with them to ensure we continually meet their needs, supporting them to thrive and strengthen.
- **Curriculum:** To meet local, regional and national skills priorities through an innovative, industry led, highly responsive curriculum offer, meeting the needs of learners, employers and partners. To raise aspirations for all, ensuring high levels of attainment that enables everyone to achieve their potential.
- **Employer Engagement:** To provide wrap around service to employers locally, regionally and nationally that exceeds their needs and those of their workforce. Expanding our offer to positively impact on the future economies, whilst embedding meaningful and enriching work experience into our curriculum offer.
- **People Centred:** Ensure that the college is a remarkable place to work and learn so that all our people have the opportunity to live their best lives, supported by a trusting culture of getting good work done with maximum flexibility and minimum constraints, by collaboratively developing appropriate and effective working practices and processes.
- **Estates:** Create a sustainable and inspirational estate that meets the college’s business needs and fulfils the local communities’ aspirations.
- **Quality:** Excellent personalised student experience, which leads to consistently high levels of student success and supports progression and future aspirations.
- **Sustainability:** Improve our environmental performance and fundamentally change the way we operate to become a sustainable low carbon organisation that is a recognised leader for sustainability across teaching and learning and college operations.

### Financial Objectives

The College’s overall financial objective is to ensure financial health and probity by managing efficiently, effectively and responsively. The College’s Financial Strategy is a critical component in successfully addressing the College’s strategic aims. The College’s financial objectives are:

- to achieve a year on year EBITDA which achieves in excess of 3% of total income.
- to pursue alternative sources of funding, on a selective basis, consistent with the College’s core competencies and the need for a financial contribution to the College’s overall finances.
- to generate sufficient levels of income to support the asset base of the College.
- to further improve the College’s short-term liquidity.
- to fund continued capital investment.

### Performance Indicators

The College uses a range of key performance indicators to monitor financial performance. In addition, national benchmark data is used where available

Results for 2023/24 are as follows:

KPI Category	Performance Indicator	2023/24 Target	2023/24 Actual
Performance	EBITDA as % of Total Income	>/=3.0%	5.19%
Performance	Pay as a % of Total Income (excl. FRS 102 Pensions)	<69%	68.50%
Performance	Pay as a % of Total Income (incl. Sub-Contractors) excl. FRS102 Pensions	<70%	70.62%
Performance	Non Recurrent FE grant Income as % of Total Income	>40%	42.11%
Solvency	Adjusted Cash Days in Hand	>70	107
Solvency	Adjusted Current Ratio	>/=2.10	2.19
Solvency	Cash Generation	>/=5%	6.35%
Reinvestment	Capital programme expenditure as % of total Income	>/=5%	22.96%
Gearing	Borrowing as a % of total income	<20%	7.05%

An annual self-assessment of the college's financial health is undertaken alongside the updating of the financial strategy and the financial forecasts. Based on the KPI's achieved above, the college's financial health categorisation for the 2023/24 financial year is assessed as 'Outstanding' with a total score of 240 from a possible 300.

### FINANCIAL POSITION

#### Financial results

The College generated an EBITDA in the year of £4,420,000 (compared to an EBITDA of £7,615,000 in 2022/23), with total income of £85,249,000, (2022/23 – £83,918,000).

The financial performance of the College in 2023/2024 is summarised below:

	2023/24
	£'000
Income	85,249
Deduct: Expenditure	83,931
<b>Surplus/(deficit) for the year</b>	<b>1,318</b>
Staffing : FRS102 Pension Costs	(563)
Interest : FRS102 Pension Costs	81
Restructuring Costs	994
Depreciation	5,219
Interest Payable	560
Release of Deferred Capital Grants	(2,060)

Other Interest Receivable	(1,128)
<b>EBITDA</b>	<b>4,421</b>
<b>EBITDA as % of Total Income</b>	<b>5.19%</b>

Geopolitical issues which first emerged early in 2022 contributed to a cost of living crisis, which has resulted in a significant increase in consumable costs, fuel and energy. The College was in the final year of a fixed price energy deal during 2022/23 and therefore the 80% increase in energy prices had a considerable impact during 2023/24 when the fixed price deal ended in October 2023.

The cash balances (including short-term deposits and current asset investments) as at 31<sup>st</sup> July 2024 stood at £24,990,000 (compared with £31,521,000 as at 31 July 2023). This is more in line with cash balances at the end of July 2022 (£25,335,000). The College Financial Strategy plans to accumulate reserves and cash balances in order to create a contingency fund for reinvestment in the future.

Tangible fixed asset additions during the year amounted to £19,570,000. This was split between land and buildings of £16,597,000 (freehold assets and assets in the course of construction) and equipment of £2,973,000.

The Local Government Pension Scheme liability has decreased during the year by £2.707m, moving from a £500k liability to a £2.207m surplus position. The College has elected not to recognise this surplus as an asset in the balance sheet as at 31 July 2024, as per FRS102, para28.22. The accounting treatment has been to show a net position of nil, the effect of the asset ceiling.

The risk that the impact of the geopolitical issues will affect economic factors such as the valuation of assets, currency markets, interest rates and inflation rates remains high. Since these factors are used to inform the IAS actuarial calculations in respect of both assets and liabilities, this may have an impact on the calculation of the pension deficit or surplus in the future.

### Financial strategy

The College recognises that it is operating in an environment of challenging public finances and low economic growth, therefore the need for stable and prudent financial planning is crucial in ensuring it can deliver its strategic and operating plans. The Colleges' Financial Strategy focuses on:

- **Financial reporting**

The development and monitoring of the Financial Strategy is critical to the ability of the College to maintain solvency, generate sufficient funds to ensure the financing of ongoing activity and to make funds available for investment. An appropriate reporting system is required to monitor the implementation of the Financial Strategy. The College therefore reports as follows:

We present a termly report that reviews the financial position and comments on the impact of the results and forecast on the Financial Strategy. The report contains:

- an Income and Expenditure Account, including commentary on performance to date against the original budget and a forecast of the outturn for the financial year;
- a balance Sheet; and
- a 12-month rolling Cash Flow Forecast.

The Governing Body will also assess the three financial returns submitted by the College each year:

- audited financial statements,
- a financial forecast and financial strategy covering the Strategic Plan,
- the mid-year return.

We continuously improve financial management by producing management accounts each month, incorporating an income and expenditure account, balance sheet, 12-month rolling cash-flow forecast, capital expenditure, financial performance indicators, staffing information and funding information (including plans).

This formal reporting of progress will provide an appropriate framework to monitor the implementation of the Financial Strategy.

- **Financial viability**

The College will ensure financial health by managing effectively, efficiently and responsively. The College will employ robust planning, monitoring and risk management techniques to ensure financial viability.

The level of EBITDA has been determined as the minimum necessary to support future operations and future investment plans, whilst at the same time providing sufficient flexibility to cope with envisaged risk management contingency planning.

The College will target a year on year EBITDA that achieves in excess of 3% of total income. EBITDA is a measure of the operating profitability of the College, and is a good proxy of the cash generation capacity.

- **Stewardship & resource deployment**

The College will ensure its resources are deployed effectively, efficiently and economically to maintain financial health and support the delivery of a high quality learner experience. The College will:

- maintain an effective budgetary control and reporting system that tightly controls all costs,
- ensure a resource allocation process that looks to enhancing front-line service delivery standards,
- ensure that strategic priorities are fully integrated into the budget cycle,
- maintain an effective inventory system to ensure effective control of all assets,
- prepare monthly management accounts, setting out actual expenditure, a profiled forecast and variances.

- **Liquidity**

The College recognises the critical importance of effectively managing its liquid assets and will maintain a positive cash flow position throughout the year to enable the payment of operating expenses. The College will:

- ensure cash flow projections are produced on a monthly basis throughout the year identifying any potential deficiencies in the cash position,
- target a year on year cash inflow from operating activities,
- maintain a balance of cash in hand at a level not less than 70 days expenditure,
- ensure that appropriate arrangements are in place to secure external funding were necessary in order to safeguard financial liquidity in a planned and systematic manner,
- invest surplus funds in accordance with the College's Treasury Management Policy, which aims to maximise the return whilst limiting the risk.

- **Capital investment**

A detailed capital programme, including planned levels of expenditure and proposed sources of funding, will be presented to the Governing Body with the financial forecasts. The Financial Strategy will aim to maintain average annual College capital programme expenditure as 5% of total annual income. This will ensure that investment in the College estates and development of technologies is sufficient to sustain the achievement of the College's strategic aims.

- **Innovation and flexibility**

The College will seek alternative sources of income to reduce its dependence on Welsh Government grant income. The College will:

- aim to maximise all other income ensuring that a minimum of 40% of total annual income is obtained from non-recurrent FE grant sources,
- increase activities such as full-cost recovery, HE funding, International fees, Shared Prosperity Fund and other projects,
- maximise the use of the College estate and facilities to generate additional income streams.

This broadening of the College's income core avoids significant potential operational reaction and disruption due to over dependency on specific funding changes.



- **Propriety**

The College will comply effectively with all statutory and mandatory financial reporting and procedural requirements. Financial compliance processes and systems will continue to be embedded within the College and financial advice and guidance systems will be further developed and improved.

- **Value for money**

The College recognises its responsibility to achieve value for money (VFM) from all its activities and is committed to the pursuit of economy, efficiency and effectiveness as part of its Financial Strategy. To achieve good VFM, the College will:

- undertake VFM studies on key areas of activity,
- benchmark the College's activities against other similar organisations where appropriate,
- promote a culture of continuous improvement,
- demonstrate actively to both internal and external observers that the achievement of VFM is sought in all activities undertaken,
- ensure that all staff recognise their continuing obligation to seek VFM for the College as part of their routine activities.

- **Investment**

Through its Treasury Management Policy, the College will utilise its resources to obtain the best return in the short, medium and long term. The College will ensure that it uses the facilities available to it to:

- maximise returns, against agreed risk profiles,
- minimise financing costs and on-going commitments,
- retain adequate cash reserves, at a level of not less than 70 days trading activity.

- **Compliance**

The College will comply effectively with all statutory and mandatory financial reporting and procedural requirements. Financial compliance processes and systems will continue to be embedded within the College and financial advice and guidance systems will be further developed and improved.

- **Treasury policies and objectives**

Treasury management is the management of the College's cash flows, its 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.

- **Cash flows and liquidity**

For 2023/24 the College had a positive operating cash inflow of £5,412k (2022/23 £6,540k). This reasonably strong performance resulted from the management of liquid resources.

The size of the College's total borrowing and its approach to interest rates has been calculated to ensure a reasonable cushion between the total cost of servicing debt and operating cash flow. During the year, this margin was comfortably exceeded.

- **Reserves Policy**

The College recognises the importance of reserves in the financial stability of any organisation, and ensures that there are adequate reserves to support the College's core activities. As at the balance sheet date the Income and Expenditure reserve stands at £78,461k (2023 £77,011k). It is the Corporation's intention to increase reserves over the life of the strategic plan through the generation of annual operating profitability.

The College cash position is freely available for general business use or for capital investments. Funds are earmarked within the cash position reported in the balance sheet for future capital projects including a student accommodation block (Llysfasi site) of £5.5m and a Welsh Language Centre of Excellence (Yale site) of £600k.

## CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

### Delivery Learner numbers

In 2023/24 the College allocation for Further Education mainstream provision (inclusive of all recognised uplifts) amounted to £49,437,865 (2022/23 £44,706,636).

In 2023/24, the College provided opportunities for:

- 6,100 learners on full-time courses
- 5,000+ learners studying on a part-time basis
- 450 learners on higher education courses
- 1,000+ school pupils aged 14-19 on part-time learning links
- 1,500 Welsh for Adults learners

### Curriculum developments

The curriculum at Coleg Cambria continues to develop to meet the needs of stakeholders which include the key priorities set out by the Welsh Government and Medr. The College develops its curriculum plans to ensure it meets local and regional priorities through the use of detailed labour market intelligence including working closely with the North Wales Economic Ambition Board and Regional Skills Partnership to identify requirements for today and into the future.

Coleg Cambria has a strong focus on supporting learners to gain entry into occupations and industries that are available as opportunities in the coming years, as well as strong partnerships with industry and Universities. These partnerships are also being used to develop progression opportunities into vocationally relevant HE programmes to support economic priorities and needs of our learners and to respond to regional developments.

The College offers access to a full breadth of provision. It provides a wide range of programmes for year 10 and 11 pupils as part of school links programmes and supports local secondary schools to offer GCSE and vocational pathways that would otherwise be inaccessible. The College continues to work in partnership with the local Welsh medium schools to further develop opportunities for learners to access vocational education through the medium of Welsh as well as developing its own curriculum delivery to expand bilingual opportunities.

Learners are offered appropriate opportunities to progress their Welsh language skills, including learning, assessment and informal use of Welsh. Digital inequalities and the barriers for vulnerable learners are considered in the planning and delivery of learning. Learning materials and online delivery tools have been prepared, with the ability to switch online fully/partially as required.

The College continues to work towards its strategy of developing an inspirational learning environment and Centres of Excellence, with investment in outstanding physical provision. This can include new and future technologies, providing excellent teaching and learning, developing links to employers for work and research, support a wide and inspirational curriculum, provide Welsh language integration throughout and the development of international links such as World Skills success and responding to local and national future skills requirements.

Our new Health Care and Therapies Hub at the Yale site opened in September 2024 and a new Agricultural Hub at Llysfasi will be opening in December 2024. We have plans in place to continue developments across our sites with our next focus on expanding construction, retro fit and renewable technologies at our Deeside campus.

We continue to develop our programmes to meet the needs of learners with learning difficulties, expanding the range of neuro specific sector programmes for learners on the autistic spectrum.

### Payment performance

The Late Payment of Commercial Debts (Interest) Act 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. During the accounting period 1 August 2023 to 31 July 2024, the average day's credit taken was 16 days (17 days 2022/23) and 97% (95% in 2022/23) of invoices were paid within 30 days. The College incurred no interest charges in respect of late payment for this period.

### Welsh language and Welsh medium/bilingual provision

Coleg Cambria is proud to be a bilingual College. The Welsh Language has an official language status in Wales, and as such, it is treated as English's equal. The College follows the standards set by the Welsh Language Commissioner. These standards are a set of legal requirements that aim to improve the bilingual service that the people of Wales can expect to receive from Coleg Cambria. The standards clearly set out what our responsibilities are in terms of providing bilingual services and are divided into the following categories:

- service delivery
- policy making
- formulating new policy
- operational
- promotion
- record keeping

The college publishes a Compliance Notice and an Annual Report "The Welsh Language Standards Annual Report", on our website.

### Sustainability

The College has signed up to the Welsh Government's Sustainability Charter to demonstrate commitment to promoting and delivering wellbeing through decisions and operations by:

- ensuring that all decisions promote long term, sustainable wellbeing of people (including employees) and communities, and do not promote short term fixes that will continue to lock us into unsustainable patterns and lifestyles;
- ensuring that all decisions take full account of, and where possible fully integrate, the various social, economic and environmental outcomes that are being sought; and
- engaging with, and involving, the people and communities that will be affected by these decisions, so that working in partnership for sustainable development becomes part of the way we work.

The College is committed to working towards carbon net zero by 2030 in line with the Welsh Government's ambitions for a carbon neutral Wales.

This is consistent with the obligations of the College to embed environmental and social issues into all learning programmes to engage and motivate students and other stakeholders to actively tackle the sustainability challenges they will find in their workplaces and communities. Modules covered include Net Zero Wales, Future Generations Education for Sustainable Development and Global Citizenship within the curriculum and the college's activities. The college offers a range of environmental sustainability courses to young people and professionals and encourages all staff to partake in sustainability-related CPD.

Coleg Cambria Llysfasi hosted The Wales Real Food and Farming Conference, which explored sustainable food, and farming, bringing together farmers and other food businesses, environmentalists and people involved in public health, food education, food sovereignty and social justice. The College also hosted Climate Conversations during Wales Climate Week and a Net Zero Conference during the 2023/24 financial year.

### Streamlined Energy and Carbon Reporting (SECR)

Coleg Cambria remains committed to reducing the environmental impacts of our operations and we set objectives and goals in order to improve our environmental performance. Coleg Cambria supports the Welsh Government Climate Change Strategy by reducing our carbon footprint and transforming our campuses towards net zero carbon through efficiency gains, renewable energy projects and reducing carbon emissions. We will review our performance against these objectives and goals. This report sets out initial performance benchmarks and actions underway to monitor and improve the environmental impacts of our operations.

**Progress to date**

Measures taken to improve energy efficiency have been set out below. To date the College has achieved the following improvements and initiatives:

*LED lighting*

We have successfully replaced most light fittings with LED's. The installation of LED lighting across all five sites will generate a reduction of between 50% - 65% in electricity used for lighting in future years across all College sites.

We have also championed "turnoff" campaigns at weekends and over holiday periods to reduce electricity usage.

*Heating improvements*

Additional work to the heating system has been undertaken to improve the heating in colder areas of the Deeside site where there was previously a need for a significant number of portable electric heaters. This should result in a reduction in electricity usage in future years.

*Building use efficiency plan*

We have established the usage of each building block across all sites during evenings and half-term holidays; provided an efficiency plan to encourage staff to agile work from particular buildings; encouraged staff to switch off equipment/devices & turn off thermostats on radiators.

*Solar panels*

There are currently over 1,200 Solar PV Panels and Solar Thermal Panels across the five sites, generating 16% of the college's overall electrical usage. We are currently assessing the feasibility of increasing solar panelling at one of our main sites in Wrexham (Yale).

*Rainwater harvesting*

The College currently harvests rainwater on the following sites:

- Deeside - D6 building
- Deeside - Learning Core
- Northop - Learning Zone
- Northop - Small animal Care

The systems in use collect rainwater, which we use for toilet flushing facilities; this reduces our demand on mains tariff water and our carbon footprint. This represents approximately 21% of the total water usage.

*Energy monitoring*

The college invests in remote monitoring of energy usage of gas, electricity and water. This has provided information to allow data analysis of usage, and for immediate action to be taken to prevent water loss in the event of a leak.

*Other heating sources*

Air source heating technologies have been installed across all five sites including Yale, Bersham Road, Deeside, Llysfasi and Northop. The site at Northop also has a ground source heating system installed in the Learning Zone building. We have also upgraded hot water systems, improved the heat exchanger plant to reduce dependence on gas-powered sources, replaced failing pipework, and associated lagging to improve efficiency of heat transfer.

*Reducing car journeys*

The College operates a car-sharing list and staff are encouraged to share car journeys to work and between sites. We will continue to promote this over the next academic year. We also encourage and promote the use of MS Teams, Google Meet and other video conferencing platforms as an alternative to cross-campus travel.

*College vehicles*

The College has invested in two electric vehicles, one to transport the internal mail between all our sites and a car, which is used by the Estates Team. These help to reduce the mileage of petrol and diesel vehicles and further reduce our carbon footprint.

### *EV charging*

The college provides EV charging at all its five sites for staff, learner and visitor usage. Charging is via an app, which users download, and the College collects the costs of the energy from the relevant company.

During 2023/24, four new EV chargers were installed at our Deeside site, two outside the Engineering main entrance and two outside of Deeside 6th rear car park. The Sustainability Officer is currently compiling a further grant application for a number of additional chargers on-site and if successful, these will be installed in 2024/25.

### *Cycle to work scheme*

The college offers a salary sacrifice cycle to work scheme, which is open to all staff. The cycle to work scheme is part of the Governments Green Transport Plan, which aims to cut congestion on the roads, improve the health of the nation and have a positive impact on the environment.

### *EV Salary Sacrifice Scheme*

The college offers a salary sacrifice Electric Vehicle scheme. This offers an affordable way for employees to drive an electric car through an inclusive motoring package, which is paid directly out of the employee's salary.

### *Sustainable Procurement*

The College is a member of the Crescent Purchasing Consortium (CPC), which is an FE sector-owned procurement consortium focused on embedding sustainable and ethical procurement in all that they do. They do this by implementing policies and strategies that demonstrate their commitment to instilling sustainability into the procurement activities and services they offer to their members.

### *Waste Management*

The college has implemented a 'reduce, reuse, recycle' initiative which has resulted in 90% of plastic bottles being removed from onsite refreshment outlets. Reusable plates, cutlery and cups have also been introduced across canteens. The college adheres to the new Welsh Government changes to the recycling law, with separate recycling bins for food waste, paper, cardboard, metal, cartons, plastic, and glass.

### *Environmental / biodiversity projects*

The College has created a new woodland at our Northop site with 420 trees planted between 2021 and 2023, with another 420 ordered and due to be planted in November 2024. At our Bersham Road site, we planted 420 mixed species of native tree saplings around the perimeter of the campus and at Llysfasi, we planted 50 trees along a stream, improving wildlife habitat and reducing the risk of flooding.

### *Bee Friendly Areas*

The College holds 'Bee friendly' accreditation status. During the year additional wildflower areas at the front of Deeside site and at Bersham Road, were created. The College participated in "No mow May" across its sites and a number of rare bee orchids were discovered on the Deeside and Northop sites.

### *Sustainability Group*

The College has a sustainability group which meets on a termly basis. The group has produced an action plan, which is regularly reviewed and monitored and covers a number of learner initiatives.

The College has a Student Officer role for the Environment (Environmental Officer) which is recruited annually. The Student Officer is responsible for working with other Rights Officers and help to coordinate environmental, ecological and sustainability activities and groups across all campuses. The Student Officer may also be invited to take part in relevant termly advisory groups as a representative of Students.

### *Goals for 2024/25*

The college has extended the contract of a Sustainability Specialist for a further 12 months to ensure that we continue on our journey to improve sustainability, biodiversity and carbon reduction.

We are progressing our new build project at the Llysfasi site. This project will be our first Carbon Neutral Building and is due to be completed in the Autumn of 2024. This project has been designed to achieve the BREEAM 'excellent' rating.

The Welsh Government has instigated a survey of all Further Education buildings in Wales, which was designed to assess the condition of the buildings and the feasibility of implementing different carbon

reduction measures. The survey report will help us to formulate a carbon-neutral plan and integrate it with the Estates and Sustainability strategies of the college.

Coleg Cambria is committed to bid and make use of any grant funding made available by Welsh Government in the future.

The college also aims to install accessible EV charging infrastructure at all sites before April 2025.

*Energy Use*

The consumption data for 2023/24 is as follows:

<b>2023/24</b>	<b>Bersham Road</b>	<b>Deeside</b>	<b>Llyfasi</b>	<b>Northop</b>	<b>Yale</b>	<b>TOTAL</b>
<b>Electricity</b>	368,484	1,878,468	383,099	449,352	1,326,990	<b>4,406,393</b>
<b>Gas</b>	501,637	2,598,110		383,966	1,744,893	<b>5,228,606</b>
<b>Heating Oil</b>			243,580			<b>243,580</b>
<b>LPG</b>			158,137			<b>158,137</b>
<b>Solar PV</b>	20,409	54,395	9,416	41,447	124,582	<b>250,249</b>
	<b>890,530</b>	<b>4,530,972</b>	<b>794,233</b>	<b>874,766</b>	<b>3,196,465</b>	<b>10,286,965</b>
<b>Exported Solar PV</b>			-1,841			<b>-1,841</b>
<b>Total Consumed kWh</b>	<b>890,530</b>	<b>4,530,972</b>	<b>792,392</b>	<b>874,766</b>	<b>3,196,465</b>	<b>10,285,124</b>

The following table details the College’s energy consumption for the 2022/23 financial year, for comparison purposes:

<b>2022/23</b>	<b>Bersham Road</b>	<b>Deeside</b>	<b>Llyfasi</b>	<b>Northop</b>	<b>Yale</b>	<b>TOTAL</b>
<b>Electricity</b>	331,777	2,008,984	418,281	321,282	1,362,751	<b>4,443,075</b>
<b>Gas</b>	470,196	2,611,069		426,821	1,894,127	<b>5,402,213</b>
<b>Heating Oil</b>			244,787			<b>244,787</b>
<b>LPG</b>			145,438			<b>145,438</b>
<b>Solar PV</b>	22,408	63,106	8,067	50,563	134,910	<b>279,054</b>
	<b>824,381</b>	<b>4,683,159</b>	<b>816,573</b>	<b>798,666</b>	<b>3,391,788</b>	<b>10,514,567</b>
<b>Exported Solar PV</b>			-2,274			<b>-2,274</b>
<b>Total Consumed kWh</b>	<b>824,381</b>	<b>4,683,159</b>	<b>814,299</b>	<b>798,666</b>	<b>3,391,788</b>	<b>10,512,293</b>

Based on the tables above it is evident that during the year, we have reduced our energy consumption in total and across the majority of sites and fuel types, with the exception of LPG at Llyfasi and Electricity and Gas at Bersham Road and Northop, by a total of 227,169 Kilowatt Hours (kWh). This is in line with our plan to reduce energy consumption over the next few years for financial and sustainability purposes.

*Transport*

In 2023/24 staff travelled 441,830 miles (472,022 2022/23) on college business using their own vehicles, a reduction in mileage of 30,192 miles when compared with the previous year. As a College, we actively promote car sharing and reducing miles travelled on College business using the latest technology including Microsoft Teams and Google Meet.

College minibuses and other vehicles travelled a further 74,773 miles (84,798 in 2022/23). The College hired a number of vehicles during the year, which has been measured using litres of fuel used, converted to miles using an average MPG based on the fuel type. The College owned two electric vehicles during the year and mileage for these totalled 5,058 miles (7,505 in 2022/23). Electric vehicle consumption is excluded from our transport Co2 emissions (t) as this is already included in our electricity consumption in Scope 1.

Transport equates to the following CO2 emissions:

	Co2 emissions (t)
Business travel in employee owned vehicles	117.35 (125.33 2022/23)
Owned transport	29.62 (31.15 2022/23)
Hire vehicles	8.65 (3.45 2022/23)

We have EV charging stations on all of our five sites and have installed additional EV chargers at our Deeside site during the financial year. These were funded through the Welsh Government Energy Service EVCI grant.

**SECR reporting for College Corporations**

The following table summarises the College’s annual UK energy use (in kWh) relating to gas, purchased electricity, transport fuel and the associated greenhouse gas emissions (in tonnes of carbon dioxide equivalent, CO2e)

<b>Coleg Cambria annual UK energy use for the period 1 August to 31 July</b>	<b>2023/24</b>	<b>2022/23</b>
Energy consumption used to calculate emissions (kWh)	<b>10,417,344</b>	<b>10,704,201</b>
<b>Energy consumption break down (kWh) (optional):</b>		
Gas	5,228,606	5,402,213
Electricity	4,406,393	4,443,075
Transport fuel	585,743	582,133
Heating Oil	243,580	244,787
LPG	158,137	145,438
Solar PV	248,408	276,780
<b>Scope 1 emissions in metric tonnes CO2e</b>		
Gas consumption	941	972
Heating Oil	244	245
LPG	158	145
Owned transport	30	31
<b>Total scope 1</b>	<b>1,372</b>	<b>1,394</b>

<b>Scope 2 emissions in metric tonnes CO2e</b>		
Purchased electricity	<b>964</b>	<b>977</b>
<b>Scope 3 emissions in metric tonnes CO2e</b>		
Business travel in employee-owned vehicles	<b>126</b>	<b>131</b>
<b>Total gross emissions in metric tonnes CO2e</b>	<b>2,462</b>	<b>2,502</b>
<b>Intensity ratio</b>		
Tonnes CO2e per member of staff	<b>1.71</b>	<b>1.75</b>

When comparing 2023/24 with our second year of disclosure (2022/23) we can confirm the following:

The College's intensity ratio (measured as tonnes CO2e per member of staff) has improved from 1.75 to 1.71. This is mostly due to a reduction in our energy consumption between 2022/23 and 2023/24. Business mileage in employee owned vehicles has reduced between the two years, which is pleasing given that mileage had increased between 2021/22 and 2023/23. This was post the pandemic where travel was still being kept to a minimum and most meetings being held via Google/Teams. We continue, where possible to encourage using technology for cross-site meetings in order to minimise the number of miles travelled between sites

The College is committed to disposing of materials in an environmentally sensitive manner and encouraging the reuse and recycling of waste materials where possible. We are encouraging departments to consider the waste they are disposing off, and how it can be recycled and/or reused.

We have followed the Streamlined energy and carbon reporting guidance for college corporations (updated January 2023). 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 staff member, the recommended ratio for the sector. The ratio for 2023/24 has reduced when compared to 2022/23 from 1.75 to 1.71 tonnes CO2e per member of staff. These results compare favourably with results from the sector for the previous year, which range from 1.17 to 5.64 CO2e per staff member.

#### **Capital developments**

The Sustainable Communities for Learning Programme through Welsh Government represented the largest strategic investment in the Educational infrastructure for over 50 years. The Band B Programme began in April 2019 and ran until 2024. The aims of the Programme were to reduce the number of poor condition schools/colleges and ensure there is the right size estate in the right location, which is used efficiently and effectively.

The College has progressed a number of projects through the programme. The Health Care & Therapies Academy on the Yale site was completed in August 2024 and the Renewable Energy Technology Hub project at Llysfasi is progressing well and will be completed during the autumn of 2024.

The Minister for Education and Welsh Language has approved the transition of the Sustainable Communities for Learning programme away from fixed bands of funding to a more agile rolling programme. The College has submitted its new Strategic Outline Programme (SOP) to the Welsh government, which includes an indicative 9-year Capital Programme. This programme will run from the 2024/25 financial year onwards.



The Strategic Outline Programme (SOP) provides an overarching view of individual local authority and further education institution strategies. Individual projects can then be approved subject to the receipt of a satisfactory business case. Coleg Cambria's SOP outlines 20 potential projects over a 9-year rolling programme. The SOP provides the opportunity to strategically position the College so that it can potentially access capital grants to support the ongoing development of an inspirational learning environment.

The Strategic Outline Programme (SOP) will now form the basis for our estates strategy and replaces our "Estate Strategy (2014-2023)" document.

The quality of the learning environment and continuously moving towards an estate that provides an inspirational learning environment is increasingly more important in a competitive market. The continued investment in providing buildings and infrastructure of the highest quality will ensure the College has the capacity to meet current and future needs with flexibility to adapt to future change and external initiatives. Demographic projections also forecast that there will be an increase in the potential number of full time learners between 2024 and 2026.

During the 2024/25 financial year, we plan to develop new student accommodation at our Llysfasi campus to ensure we can accommodate the increase in Student numbers on this site and further improve facilities for Learners.

## RESOURCES

The College has various resources that it can deploy in pursuit of its strategic objectives.

### *Financial*

The College has £159.0 million of total assets less current liabilities, which includes a strong cash reserve.

### *People*

The College employs on average 1,441 people on academic, support, hourly paid and management contracts.

### *Reputation*

The College has an excellent reputation locally and nationally. Maintaining a quality brand is essential for the College's success at attracting students and external relationships.

## PRINCIPAL RISKS AND UNCERTAINTIES

The College has undertaken further work during the year to develop and embed the system of internal control, including financial, operational and risk management, which is designed to protect the College's assets and reputation.

Based on the strategic plan, the Risk Management Group undertakes a comprehensive review of the risks to which the College is exposed. They identify systems and procedures, including specific preventable actions, which should mitigate any potential impact on the College. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Risk Management Group will also consider any risks, which may arise as a result of a new area of work being undertaken by the College.

A Risk Register is maintained at College level, which is reviewed, termly by the Audit & Risk Committee and more frequently where necessary. The Risk Register identifies the key risks, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

The recent cost of living crisis which has impacted energy prices, fuel and consumable costs as well as relatively high inflation and interest rates are all risks which the College, as well as its staff and students, will need to navigate over the next academic and financial year. The College has considered these risks in its risk register, and operational and financial plans, and continues to adapt to meet the changing requirements of students, businesses and the local community in recovering from the impact of the global cost of living crisis.

Outlined below is a description of the principal risk factors that may affect the College. Not all of these factors are within the College's control. Other factors besides those listed below may also adversely affect the College.

### Strategic risks

The following is a list of the Colleges' high-level strategic risks:

- Failure to maintain good and effective governance.
- Failure to respond and comply with key legislation, Welsh language and national policies.
- Failure to maintain financial health and viability of College.
- Failure to recruit students and meet funding allocation targets.
- Severe business disruption and inability to protect College assets.
- Failure to engage and meet the needs of local communities.
- Failure to provide outstanding individual support to enhance student experience.
- Failure to provide consistently high quality teaching, training and assessment.
- Failure to provide a curriculum offer which is attractive and meets the needs of learners, employers and external organisations.
- Failure to effectively manage new business, commercial opportunities and contracts.
- Failure to implement a trusting, inclusive culture that values and benefits all staff and maximises their contribution.
- Failure to provide a comprehensive support structure that safeguards children and vulnerable adults.
- Failure to implement the Estates Strategy and provide appropriate accommodation.
- Failure to secure and maintain information and systems.
- Failure to ensure effective quality systems to drive improvements, meet external quality thresholds and ensure learners complete courses, progress and achieve their full potential.
- Failure to operate as a sustainable low carbon organisation.
- Introduction of new Welsh Government sponsored body, The Commission for Tertiary Education and Research (CTER/Medr).
- Introduction of new laws to ensure stronger protections against terrorism in public places – 'Martyn's Law'.

### STAKEHOLDER RELATIONSHIPS

Coleg Cambria will continue to play a leading role in developing collaborative approaches that add value for learners. The College will continue to work in close collaboration with local partners in order to further develop local provision in terms of overall quality, improved responsiveness to local needs and effective sharing of accommodation.

The College recognises the importance of relationships with stakeholders and engages in regular communication with them through the College Internet site and through meetings. The College has many stakeholders, these include:

- Students
- Staff
- Welsh Government
- Funding Bodies
- Local employers (with specific links)
- Local Authorities
- Government Offices
- The local community
- Other FE/HE institutions
- Trade Unions

**Trade Union Facility Time**

**Relevant union officials**

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
14	13.4

**Percentage of time spent on facility time**

Percentage of time (%)	Number of employees
0	0
1-50	14
51-99	0
100	0

**Percentage of pay bill spent on facility time**

Total cost of facility time	£86,791
Total pay bill	£58,238,200
Percentage of the total pay bill spent on facility time <i>(total cost of facility time / total pay bill) * 100</i>	0.15%

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time <i>(total hours spent on paid trade union activities by relevant union officials during the relevant period / total paid facility time hours) x 100</i>	100%
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**Equality and diversity**

At Coleg Cambria we understand the importance of actively working towards making our college the most inclusive, equal and supportive place for everyone. We work closely with our diverse community of learners, staff and stakeholders to ensure that Coleg Cambria is inclusive for all of us. Our Equality and Diversity Coordinator is available to support both staff and learners in anything they need to ensure they have what they need to thrive during their time at the College.

We are committed to constantly improving our services to be inclusive to everyone. We expect that every member of the Coleg Cambria community to both be treated with respect, and to treat others with respect.

The College provides extensive support services and has effective processes and procedures to identify and meet the needs of both Learners and Staff.

The College has recently published its Strategic Equality Plan 2024-2028. This lays out our equality objectives to enhance inclusion at the college. This plan is monitored by an internal Equality Action Plan which is owned by the Equality & Diversity Committee. We update our Strategic Equality Plan in the Annual Equality Report, which is published in September each year. This ensures compliance with the Equality Act 2010. All our updates to supporting equality are outlined within our Annual Equality Report 23/24, which is available on our Website.

We undertake Equality Impact Assessments on all our new policies and procedures, and these are published with the policies. Equality Impact Assessments are also undertaken for existing policies and procedures.

The College produces an annual gender pay gap report, and has also reported on our disability and ethnicity pay gaps. We have also produced an action plan to respond to gaps identified.

We have created and provided an update on our Anti-Racist Action Plan, which oversees our plan to become an anti-racist organisation.

The College is a 'Disability Confident' employer and has committed to the principles and objectives of the Disability Confident Standard. The College considers all applications from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the College continues. The College's policy is to provide training, career development and opportunities for promotion, which, as far as possible, provide identical opportunities to those of non-disabled employees.

#### Disability statement

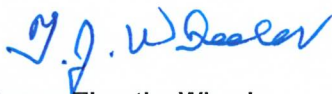
The College seeks to achieve the objectives set down in the Equality Act 2010 and makes significant investment in specialist teaching and support staff in order to support learners with learning difficulties and disabilities. The College has done this in the following ways:

- a) As part of its estate strategy the College updated its access audit.
- b) There is a list of specialist equipment, which the College can make available for use by students and a range of assistive technology is available in the learning resource centres.
- c) The admissions policy for all students is described in the College's Admission procedures. Appeals against a decision not to offer a place are dealt with under the complaints policy.
- d) The College has made a significant investment in the appointment of specialist lecturers to support students with learning difficulties and/or disabilities. There are a number of Student Services Advisors, Learning Support Coordinators and an Inclusion Team who can provide a variety of support for learning. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.
- e) Specialist programmes are described in College prospectuses and achievements and destinations are recorded and published in the standard College format.
- f) Counselling and welfare services are detailed in the College student handbook, which is issued to students together with the Complaints and Disciplinary Procedure leaflets at induction.

#### Disclosure of information to auditors

The members who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the College's auditors are unaware and each member has taken all the steps that they ought to have taken to be aware of any relevant audit information and to establish that the College's auditors are aware of that information.

Approved by order of the members of the Corporation on 11 December 2024 and signed on its behalf by:



**Professor Timothy Wheeler**  
Chair of Governors

## Statement of Corporate Governance and Internal Control

The following statement is provided to enable readers of the annual report and accounts of the College to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2023 to 31 July 2024 and up to the date of approval of the annual report and financial statements.

The College is committed to exhibiting best practice in all aspects of corporate governance and endeavours to conduct its business:

- i. In full accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- ii. In full accordance with the guidance to colleges from Colleges Wales in The Code of Good Governance for Colleges in Wales 2016;
- iii. In full accordance with the Coleg Cambria's Values as detailed in the Strategic Plan 2023/25;
- iv. Having due regard to the UK Corporate Governance Code 2018 as far as it is applicable to the further education sector.

This report describes the manner in which the College has applied the principles set out in the UK Corporate Governance Code 2018 ('The Code') issued by the Financial Reporting Council (FRC). Its purpose is to help the reader of the accounts understand how the principles have been applied. The Governing Body 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.

In the opinion of the governors, Coleg Cambria complies with all the provisions of the Code as far as they apply to the Further Education Sector and it has complied throughout the year ended 31 July 2024.

Coleg Cambria is an exempt charity within the meaning of Part 3 of the Charities Act 2011. The Governors, who are also the Trustees for the purpose of the Charities Act 2011, confirm that in setting and reviewing the College's strategic objectives, the Governing Body has had due regard for the Charity Commission's guidance on public benefit and that the required statements appear elsewhere in these financial statements.

### The Corporation

The composition of Coleg Cambria's Corporation Board during the period ending 31 July 2024 and up to the date of signing the financial statements is set out on pages 24 and 25 alongside a record of Board attendance. It is the Corporation's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

The Corporation is provided with regular and timely information on the overall financial performance of the College together with other information such as performance against funding targets, proposed capital expenditure, quality matters, staffing and other matters such as health and safety and environmental issues. The Corporation met five times during the year to conduct its normal business. A number of strategic planning and training sessions are also held with attendance by the Governance Officer and Clerk and the Senior Post Holders.

All Governors are able to take independent professional advice in the furtherance of their duties at the College's expense and have access to the Governance Officer and Clerk to the Corporation, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Senior Post Holders and the Governance Officer and Clerk are matters for the Corporation as a whole. Formal agendas, papers and reports are supplied to Governors in a timely manner, prior to Board meetings. Briefings are also provided on an ad hoc basis.

The Corporation has a strong and independent non-executive element and no individual or group dominates its decision-making process. The Corporation 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 Chair and Chief Executive (Accounting Officer) are separate.

### Appointments to the Corporation

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has the Search Committee, consisting of six members of the Corporation which is responsible for the selection and nomination of any new member for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate training is provided as required, which is structured appropriately to support the development of Governors.

Members of the Corporation are appointed for a term of office not exceeding four years, with the exception of Student Members, who can hold office for two years (subject to eligibility).

In December 2023, the Board approved a proposal to establish the position of Associate Governor - Social Partnership, believed to be the first of any College Board in Wales, to attend and participate in Board meetings and events. This position does not hold a vote but is subject to the Code of Conduct. The Associate Governor - Social Partnership appointment is for an initial two-year term of office, with the potential to extend for a further two-year term.

### Committee Structure

The Corporation conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation. Full minutes of all meetings for 2023/24, except those deemed confidential by the Corporation, are available from the Governance Officer and Clerk to the Corporation at: Coleg Cambria, Grove Park Road, Wrexham, LL12 7AB. The Governance Officer and Clerk to the Corporation maintains a register of financial and personal interests of the Governors. The register is available for inspection at the above address.

During the year, the Governing Body had the following committees:

- Audit and Risk Committee
- Curriculum and Standards Committee
- Finance, People & Culture Committee
- Search and Governance Committee
- Remuneration Committee

### Audit and Risk Committee

The Audit & Risk Committee has the responsibility of fulfilling the statutory role of an audit function as detailed in Coleg Cambria's Instrument and Articles of Government (Welsh Government 2013) and in accordance with the Further Education Audit Code of Practice (Welsh Government 2015). The Committee operates in accordance with written terms of reference approved by the Corporation.

The Audit & Risk Committee provides a forum for reporting by the College's internal, regularity and financial statements auditors, who have access to the Committee for independent discussion, without the presence of College management. The Committee also receives and considers reports from the Welsh Government, the Information Commissioner's Office and Governance issues as they affect the College's business.

The College's Internal Auditors review 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 & Risk Committee.

The Audit & Risk Committee also advises the Corporation on the appointment of internal, funding data and financial statements auditors and their remuneration for both audit and non-audit work as well as reporting annually to the Corporation.

The Committee comprises seven members of the Corporation (excluding the Chair of the Board and the Chief Executive) which includes the potential for up to two externally co-opted members and meets at least three times a year.

**Curriculum and Standards Committee**

The Curriculum and Standards Committee has the responsibility of fulfilling the statutory role of the academic board as detailed in Coleg Cambria's Instrument and Articles of Government (2013). The Committee operates in accordance with written terms of reference approved by the Corporation.

The Curriculum and Standards Committee key role is to advise the Corporation on curriculum planning processes at Coleg Cambria and scrutinise the effectiveness, and standards of the learner journey. It is also responsible for receiving Student Voice reports to ensure that the College is focused on providing the best available environment and resources for its learners. During the 2023/24 academic year, the Committee comprised of 10 members.

**Finance, People and Culture Committee**

The Finance, People and Culture Committee has the responsibility of fulfilling its statutory role as detailed in Coleg Cambria's Instrument and Articles of Government (Welsh Government 2013) and the Financial Memorandum between the Welsh Government, further education institutions and higher education institutions providing further education (Welsh Government 2015). The Committee operates in accordance with written terms of reference approved by the Corporation.

The Finance, People and Culture Committee's key role is to review and challenge the financial performance and strategy of the College along with monitoring staffing and student resources and policies, estates functions, and other legal requirements of the board. The Committee comprises of nine members and meets at least three times a year.

**Search and Governance Committee**

The Search and Governance Committee (formerly Search Committee) has the responsibility of fulfilling the statutory role of a Search function as detailed in Coleg Cambria's Instrument and Articles of Government (2013). The Committee operates in accordance with written terms of reference approved by the Corporation.

The Committee's key role is to undertake searches for new governors to advise the Corporation on the re-appointment of existing governors and to undertake periodic reviews of the skills, ethnicity, age, disability and gender of governors. Additionally, the Committee includes oversight of the Corporation's governance arrangements, including Governor Induction and training. The Committee comprises of six members and meets at least three times a year.

**Remuneration Committee**

The Committee operates in accordance with written terms of reference approved by the Corporation and has adopted the College's' Senior Post Holder Remuneration Code (Association of Colleges, December 2018).

The Committee's key role is to make final recommendations to the Corporation on all aspects of remuneration and employment arrangements for the Senior Post Holders and the Governance Officer and Clerk. The Committee comprises of seven members (excluding the Chief Executive Officer) and meets at least three times a year.

**Training and Development**

During the academic year, 2023/24 Board members were afforded the opportunity to participate in training and development sessions arranged for them, as follows:

Area of Training/ Development	Delivered by	Date	Participants
Added Value	VP Academic Studies	October 2023	Members of Curriculum and Standards Committee
Colegau Cymru Conference	Colegau Cymru	October 2023	Chair of the Board
Presentation by Senior Post Holders inc: <ul style="list-style-type: none"> <li>Core Functions of the Board and Governors</li> <li>Role of CEO and SPH</li> <li>Overview of Coleg Cambria</li> <li>Overview of Strategic Aims</li> </ul>	Senior Post Holders	October 2023	Board Members Presentation circulated to the Board
Festival of Student Governance	UNLOC in Birmingham	13 and 14 November 2023	Student Governors; Abigail Farrugia Finn Jones
Self-Assessment Review	VP Quality	December 2023	Presentations delivered at Curriculum and Standards Committee and at the Board All Governors
Finance for Non Financials	Internal Audit	November 2023	Audit and Risk Members All Governors invited with presentation and link to training circulated
Strategic Planning Day - including sessions on: <ul style="list-style-type: none"> <li>Strategic Context Setting</li> <li>AI</li> <li>ALNET (incl. governor statutory responsibilities)</li> <li>Strategic Equality Plan</li> <li>Trauma Informed</li> <li>CTER</li> </ul>	SPH and nominated officers	2 February 2024	All Governors Presentations circulated to the Board
Role of the Internal Audit and Audit and Risk Committee	Internal Audit	5 March 2024	Audit and Risk Members All Governors invited with presentation and link to training circulated
Colegau Cymru- FE Finance	Colegau Cymru	19 March 2024	All Governors invited Recording link circulated to all Members
External Board Review - presentation of the key findings and recommendations	Robin Newton-Syme (Association of Colleges)	20 March 2024	Presentation delivered and Report considered during the Board Meeting
Regulated Provider Status and Fee and Access Plan	Senior Post Holder	March 2024	Presentation delivered to the Curriculum and Standards Committee and Board Meeting
Colegau Cymru - ALNET	Colegau Cymru	16 April 2024	All Governors invited Recording link circulated to all Members
Site Visit: Yale New Building (Healthcare and Therapies) (building work in progress)	Senior Post Holders and curriculum staff	May 2024	All Governors invited (two visit opportunities arranged)
Colegau Cymru - Future Generations	Colegau Cymru	5 June 2024	All Governors invited Recording link circulated to all Members
Cyber Security	Internal Audit	5 June 2024	Audit and Risk Members All Governors invited with presentation circulated
Site Visit: Llysfasi site and New Building (Sustainable Farming Hub) (building work in progress)	Senior Post Holders and curriculum staff	June 2024	All Governors invited
<b>Online modules</b> <ul style="list-style-type: none"> <li>Safeguarding</li> <li>Prevent</li> <li>IT</li> <li>Equality and Diversity</li> <li>GDPR</li> <li>Whistleblowing</li> </ul>	Mandatory online modules completed or revisited after 3 years (or 2 years for Safeguarding)	On going	Position as of 20/09/2024



### Link Governor Arrangements

The Link Governor role assists individual governors to familiarise themselves with a specific area (either curriculum or business support) within the College. Termly meetings are held between the link governor and key managers from the areas, with link governors invited to contribute to the Self-Assessment Report process and observe the termly Impact Review Sessions. The Link Governor arrangement enables the Governing Body members to learn more about aspects of the College, which in turn supports and informs the strategic planning process.

### Other Governance Development Activities

The College is a member of the Association of Colleges and members of the Board, the Senior Post Holders and the Governance Officer and the Clerk have availed themselves of the opportunities arising from this involvement e.g. Chairs' Meetings, Clerks' meetings and annual conferences.

### Governors

Listed below (at table 1) is the composition of Coleg Cambria's Corporation Board during the period 1 August 2023 to 31 July 2024, and up to the date of signing the financial statements, together with reference to Board attendance.

**Table 1:**

Name	Date Appointed	Term of Office	Date of Resignation/Term Ended	Committee Membership	Attendance at Board Meetings
Sara Barker (Staff Governor)	03/02/23	4 years to 02/02/27		Curriculum and Standards Remuneration	100%
Claire Brook	18/10/23	4 years to 17/10/2027 (+ up to 4 years subject to review)		Finance, People and Culture.	100%
Martina Davies	05/02/21	4 years to 04/02/25 (+ up to 4 years subject to review)		Finance, People and Culture	100%
Hon Judge Roger Dutton DL	04/02/22	4 years to 04/02/25 (+ up to 4 years subject to review)		Curriculum and Standards Finance, People and Culture	80%
Martin Evans	19/10/21	4 years to 18/10/25 (+ up to 4 years subject to review)		Audit and Risk	100%
Abigail Farrugia (Student Governor)	21/06/23	Up to two years from 01/09/23		Curriculum and Standards	40%
Paul Ffoulkes	18/10/23	4 years to 17/10/27 (+up to 4 years subject to review)		Finance, People and Culture	100%
Jayne Francis-Headon (Associate Governor-Social Partnership)	02/02/2024	2 years to 01/02/26 (+up to 2 years subject to review)		Board only	100%
Lee Gould	03/02/23	4 years to 02/07/27 (+ up to 4 years subject to review)		Finance, People and Culture	100%
Mark Hughes (Staff Governor)	13/12/22	4 years to 12/12/26		Curriculum and Standards	100%
Finn Jones (Student Governor)	21/06/23	Up to two years from 01/09/23 (Reappointed for 2024/25 academic year)		Curriculum and Standards	100%

Gareth P Jones	01/09/20	1 <sup>st</sup> term to 31/08/24 2 <sup>nd</sup> term to 31/08/28		Finance, People and Culture.	100%
Jillian Jones	05/02/21	4 years to 04/02/26 (+ up to 4 years subject to review)		Audit and Risk; Remuneration Search and Governance	100%
Geoff Lang	22/06/22	4 years to 21/06/26 (+ up to 4 years subject to review)		Finance, People and Culture (to Dec. 2023)  Audit and Risk (from Jan 2024)	100%
Dr Rajan Madhok	21/06/23	4 years to 20/06/27 (+ up to 4 years subject to review)		Audit and Risk (from Jan 2024)	100%
Jayne Moore	01/09/20	1 <sup>st</sup> term to 31/08/24 2 <sup>nd</sup> term to 31/08/28		Finance, People and Culture; Remuneration.	100%
Alexander Pengelly <sup>1</sup>	17/06/2024	Up to 2 years from 01/09/24		Curriculum and Standards	-
Professor Anna Sutton	05/02/21	4 years to 04/02/25 (+ up to 4 years subject to review)		Curriculum and Standards Remuneration Search and Governance	100%
Marjorie Thomson (Vice-Chair)	01/08/13	1 <sup>st</sup> term to 31/07/17 2 <sup>nd</sup> term to 31/07/21 3 <sup>rd</sup> term to 31/07/25* (*by virtue of Board Vice Chair Position)		Vice Chair of the Board Audit and Risk Curriculum and Standards Remuneration Search and Governance	80%
Professor Timothy Wheeler DL (Chair)	09/12/15	1st term to 08/12/19 2nd from to 09/12/19 3rd term to 08/12/27* (*by virtue of Board Chair position) Appointed to the Board as Chair from 01/01/21		Chair of the Board Finance, People and Culture Curriculum and Standards Remuneration Search and Governance	100%
Yana Williams (CEO)	01/01/20			Curriculum and Standards Finance, People and Culture Search and Governance	80%
Annesley Wright	01/09/17	1st term to 31/08/21 2nd term to 31/08/25		Finance, People and Culture Curriculum and Standards Remuneration Search and Governance	100%
<b>Co-opted Members</b>					
David Stephens	01/08/13	1st term to 31/07/17 2nd term to 31/07/21 3rd term to 31/07/25		Co-opted member of the Audit and Risk Committee.	
Jane Tweedie	15/06/22	4 years to 14/06/26 (+ up to 4 years (subject to review))		Co-opted member of the Audit and Risk Committee.	
<b>Governance Officer and Clerk to the Board</b>					
Sian Clark served as Governance Officer and Clerk to the Board and attended all Board meetings and Committee meetings during the period 1 August 2023 to 31 July 2024, and up to the date of the signing of the financial statements.					

Notes:

1 - appointment confirmed at 17 June 2024 Board meeting for 2024/25 academic year.

## Corporation performance

A performance review is undertaken following each Governing Body meeting and no issues of note were raised during the year.

During the year, the Board commissioned the Association of Colleges to undertake an independent review of Coleg Cambria's governance arrangements and the Board's effectiveness, with a focus on; the composition of the Board, Structure of the Board and Board Interaction. The review was led by Robin Newton-Syms and involved the triangulation of evidence from a variety of sources. These sources included observation of Committee meetings and Governor Strategic Event, analysis of questionnaires completed by Governors, interview and discussion opportunities with Governors and Officers, desktop research of Board and Committee agendas and other pertinent documentation.

In assessing the overall Board Effectiveness, the Review concluded that: 'There is strong evidence that the Board is highly proficient and consistently impacts positively on college strategy, effectiveness, and outcomes'.

## Internal control

### Scope of responsibility

The Corporation is ultimately responsible for the College'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 Corporation has delegated the day-to-day responsibility to the Chief Executive, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives whilst safeguarding the public funds and assets for which the Chief Executive is personally responsible, in accordance with the responsibilities assigned to them in the Financial Memorandum between Coleg Cambria and the Welsh Government. The Chief Executive is also responsible for reporting to the Corporation any material weaknesses or breakdowns in internal control.

### *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 on-going process designed to identify and prioritise the risks to the achievement of College 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 Cambria for the year ended 31 July 2024 and up to the date of approval of the annual report and accounts.

### *Capacity to handle risk*

The Corporation has reviewed the key risks to which the College is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Corporation is of the view that there is a, formal on-going process for identifying, evaluating and managing the College's significant risks that has been in place for the period ending 31 July 2024 and up to the date of approval of the annual report and accounts. The Corporation regularly reviews this process.

### *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 and an annual budget forecast which is reviewed and agreed by the Corporation;
- regular reviews by the Corporation of periodic and annual financial reports which indicate financial performance against forecasts;
- target setting to measure financial and other performance;

- clearly defined capital investment control guidelines;
- the adoption of formal project management disciplines, where appropriate.

Coleg Cambria has an Internal Audit service, which operates in accordance with the requirements of the Welsh Government. The work of the Internal Audit service is informed by an analysis of the risks to which the College 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 Corporation on the recommendation of the Audit & Risk Committee. At minimum annually, but usually twice per annum, the Internal Auditors provide the Corporation with a report on internal audit activity in the College. The report includes the Internal Auditor's independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

#### *Review of effectiveness*

As Accounting Officer, the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. The review of the effectiveness of the system of internal control is informed by:

- the work of the Internal Auditors;
- the work of the executive managers within the College who have responsibility for the development and maintenance of the internal control framework;
- comments made by the College's financial statements auditors and the Welsh Government's auditors in their management letters and other reports.

The Accounting Officer has been advised on the implications of the result of the review of the effectiveness of the system of internal control by the Audit & Risk Committee, which oversees the work of the Internal Auditor, other sources of assurance and Risk Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Senior Management Team (SMT) receive reports setting out key performance and risk indicators and consider possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The SMT and the Audit & Risk Committee also receive regular reports from Internal Audit and other sources of assurance, which include recommendations for improvement. The Audit & Risk Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the SMT and the Audit & Risk Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2024 meeting the Corporation 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 & Risk Committee and the Chief Executive, the Corporation is of the opinion that the College has met its:


- statutory responsibility for "*the effective and efficient use of resources, the solvency of the college and the body and the safeguarding of their assets*"
- contractual responsibilities under its funding agreements and contracts with the Welsh Government

#### **Going Concern**

After making appropriate enquiries and a review of financial forecasts, the Governing Body considers that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

**Approved by order of the members of the Corporation on 11 December 2024 and signed on its behalf by:**

Signed:   
 Professor Timothy Wheeler  
 Chair of Governors

Signed:   
 Y. Williams  
 Chief Executive  
 (Accounting Officer)

**Statement of regularity, propriety and compliance**

As accounting officer I confirm that the college has had due regard to the requirements of grant funding agreements and contracts with the Welsh Government and has considered its responsibility to notify the Welsh Government of material irregularity, impropriety and non-compliance with terms and conditions of funding.

I confirm on behalf of the college that after due enquiry, and to the best of my knowledge, I am 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 grant funding agreements and contracts with the Welsh Government, or any other public funder.

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

Signed:  .....

**Yanina Williams**  
Chief Executive (Accounting Officer)  
Date

**Statement of the chair of the governors**

On behalf of the college, I can confirm that the accounting officer has discussed their statement of regularity, propriety and compliance with the board and that I am content that it is materially accurate.

Signed:  .....

**Professor Timothy Wheeler**  
Chair of Governors  
Date



## Statement of Responsibilities of the Members of the Governing Body

The members of the Governing Body are required to present audited financial statements for each financial year.

Within the terms and conditions of the Financial Memorandum between the Welsh Government and the Governing body of the College, the Governing Body, through its Accounting Officer, is 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 Institutions*, *the Accounts Direction for Further Education Colleges in Wales* and the UKs Generally Accepted Accounting Principles, and which give a true and fair view of the state of affairs of the College and its surplus/deficit of income over expenditure for the period.

In preparing the financial statements, the Governing Body is required to:

- select suitable accounting policies and 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 whether the college is a going concern, noting the key supporting assumptions, qualifications or mitigating actions, as appropriate (which must be consistent with other disclosures in the accounts and auditor's report)
- prepare financial statements on the going concern basis, unless it is inappropriate to assume that the College will continue in operation

The Governing Body is also required to prepare a Members' Report in accordance with paragraphs 3.23 to 3.27 of the FE and HE SORP, 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 Governing Body is responsible for keeping proper accounting records which disclose, with reasonable accuracy, at any time, the financial position of the College and which enable it to ensure that the financial statements are prepared in accordance with the relevant legislation including the Further and Higher Education Act 1992 and Charities Act 2011, and relevant accounting standards. It is responsible for taking steps that are reasonably open to it to safeguard its assets and to prevent and detect fraud and other irregularities.

The Governing Body is responsible for the maintenance and integrity of its website(s); the work carried out by the 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.

Members of the Governing Body 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. Members must ensure that there are appropriate financial and management controls in place in order to safeguard public and other funds and to ensure they are used properly. In addition, members of the Governing Body 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 any other public bodies are not put at risk.

**Approved by order of the members of the Governing Body on 11 December 2024 and signed on its behalf by:**



**Professor Timothy Wheeler**

**Chair of Governors****Report of the Independent Auditors to the Governing Body of Coleg Cambria****Opinion**

We have audited the financial statements of Coleg Cambria (the 'College') for the year ended 31 July 2024 which comprise the Statement of Comprehensive Income the Balance Sheet, the Statement of Changes in Reserves, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

**Opinion on other matters required by the Further Education Audit Code of Practice issued by the Welsh Government**

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; and
- in all material respects, income has been applied in accordance with the financial memorandum with the Welsh Government.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the College's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Governors with respect to going concern are described in the relevant sections of this report.

**Other information**

The Governors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the College and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Governors.

We have nothing to report in respect of the following matters where the Further Education Audit Code of Practice issued by the Welsh Government by reference to the Accounts Direction 2023/24 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of the Members of the Governing Body of the College**

As more fully explained in the Statement of Responsibilities of the Members of the Governing Body set out on page 29, the Governing Body is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governing Body determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governing Body is responsible for 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 the Governing Body either intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

**Our responsibilities for the audit of the financial statements**

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 a Report of the Independent Auditors that includes our opinion. Reasonable

assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

*Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory framework applicable to both the College itself and the sector in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the Governing Body and management. The most significant were identified as the Further and Higher Education Act 1992, as a Welsh General College of Further Education; the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (FE/HE SORP 2019); and the College Accounts Direction 2023 to 2024.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Corporation and other management and inspection of regulatory and legal correspondence, if any.

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included, but were not limited to:

- making enquires of management and the Governing Body as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and relevant regulators to identify any actual or potential frauds or any potential weaknesses in internal control which could result in fraud susceptibility;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the design effectiveness of the controls in place to prevent and detect fraud;
- assessing the risk of management override including identifying and testing journal entries; and
- challenging the assumptions and judgements made by management in its significant accounting estimates.

Whilst our audit did not identify any significant matters relating to the detection of irregularities including fraud, and despite the audit being planned and conducted in accordance with ISAs (UK), there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity would likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**Use of our report**

This report is made solely to the Members of the Governing Body, as a body, in accordance with the Financial Memorandum published by the Welsh Government and our engagement letter dated 30 Nov 2023. Our audit work has been undertaken so that we might state to the Members of the Governing Body, as a body, those matters we are required under our engagement letter dated 30 Nov 2023 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 Members of the Governing Body, as a body, for our audit work, for this report, or for the opinions we have formed.



**Cooper Parry Group Limited**  
 Statutory Auditor  
 Cubo Birmingham  
 Office 401, 4<sup>th</sup> Floor  
 Two Chamberlain Square  
 Birmingham  
 B3 3AX

20 December 2024  
 Date: .....




## Statement of Comprehensive Income

	Notes	2024	2023
		£'000	£'000
<b>INCOME</b>			
Funding body grants	2	72,422	72,746
Tuition fees and education contracts	3	4,615	4,018
Other grants and contracts	4	1,524	1,768
Other income	5	5,560	5,056
Investment income	6	1,128	329
<b>Total income</b>		<b>85,249</b>	<b>83,918</b>
<b>EXPENDITURE</b>			
Staff costs before FRS102 costs	7	58,238	52,018
FRS102 costs	22	(563)	1,590
Total staff costs including FRS102 costs	7	57,675	53,608
Other operating expenses	8	20,396	22,037
Depreciation and Impairment	10	5,219	5,122
Interest and other finance costs before FRS102	9	560	589
FRS102 interest costs	22	81	862
Interest and other finance costs including FRS102		641	1,451
<b>Total expenditure</b>		<b>83,931</b>	<b>82,219</b>
<b>Surplus/(Deficit) before tax</b>		<b>1,318</b>	<b>1,699</b>
Taxation		-	-
<b>Surplus for the year</b>		<b>1,318</b>	<b>1,699</b>
Re-measurement of net defined benefit pension liability	22	67	24,054
Other comprehensive income/(expenditure) for the year		1,385	24,054
<b>Total Comprehensive Income for the year</b>		<b>1,385</b>	<b>25,753</b>
<b>Represented by:</b>			
Unrestricted comprehensive income		1,385	25,753
Restricted comprehensive income		-	-
		<b>1,385</b>	<b>25,753</b>

## Balance sheet as at 31 July

	Notes	2024 £'000	2023 £'000
<b>Fixed assets</b>			
Tangible fixed assets	10	143,846	129,546
Investments	11	21	21
		<u>143,867</u>	<u>129,567</u>
<b>Current assets</b>			
Stocks	12	1,060	967
Debtors	13	6,280	7,552
Current asset investments	14	17,563	10,156
Cash at bank and in hand	19	7,427	21,365
		<u>32,330</u>	<u>40,040</u>
<b>Current liabilities</b>			
Creditors – amounts falling due within one year	15	(17,177)	(16,300)
		<u>15,153</u>	<u>23,740</u>
<b>Net current assets</b>			
		<u>159,020</u>	<u>153,307</u>
<b>Total assets less current liabilities</b>			
Less: Creditors – amounts falling due after more than one year	16	(71,241)	(66,424)
<b>Provisions for liabilities</b>			
Defined benefit pension scheme	18	0	(500)
Other provisions	18	(2,714)	(2,703)
		<u>85,065</u>	<u>83,680</u>
<b>Total net assets</b>			
<b>Reserves</b>			
<b>Unrestricted reserves</b>			
Income and expenditure reserve		78,461	77,011
Revaluation reserve		6,604	6,669
		<u>85,065</u>	<u>83,680</u>
<b>Total unrestricted reserves</b>			
		<u>85,065</u>	<u>83,680</u>
<b>Total reserves</b>			
		<u>85,065</u>	<u>83,680</u>

The financial statements on pages 1 to 59 were approved and authorised for issue by the Corporation on 11 December 2024 and were signed on its behalf on that date by:

  
 Professor Timothy Wheeler  
 Chair of Governors

  
 J. Williams  
 Chief Executive  
 (Accounting Officer)

**Statement of Changes in Reserves**

	I&E and Pension reserve	Revaluation reserve	Total
	£'000	£'000	£'000
<b>Balance at 1st August 2022</b>	<b>51,193</b>	<b>6,734</b>	<b>57,927</b>
Surplus from the income and expenditure account	1,699	-	1,699
Other comprehensive expenditure	24,054	-	24,054
Transfers between revaluation and income and expenditure reserves	65	(65)	-
<b>Total comprehensive expenditure for the year</b>	<b>25,818</b>	<b>(65)</b>	<b>25,753</b>
<b>Balance at 31st July 2023</b>	<b>77,011</b>	<b>6,669</b>	<b>83,680</b>
Surplus from the income and expenditure reserve	1,318	-	1,318
Other comprehensive income	67	-	67
Transfers between revaluation and income and expenditure reserves	65	(65)	-
<b>Total comprehensive income for the year</b>	<b>1,450</b>	<b>(65)</b>	<b>1,385</b>
<b>Balance at 31st July 2024</b>	<b>78,461</b>	<b>6,604</b>	<b>85,065</b>

**Statement of Cash Flows**

	Notes	2024 £'000	2023 £'000
<b>Operating activities</b>			
Cash generated from operations	19	5,412	6,540
		<u>5,412</u>	<u>6,540</u>
<b>Net cash flow from operating activities</b>		<u><b>5,412</b></u>	<u><b>6,540</b></u>
<b>Investing activities</b>			
Proceeds from sale of fixed assets		47	-
Investment income		1,128	329
Capital grants received		8,920	8,158
Purchase of tangible fixed assets		(19,570)	(7,334)
		<u>(9,475)</u>	<u>1,153</u>
<b>Financing activities</b>			
Interest paid		(425)	(485)
Proceeds of new borrowings		-	-
Repayments of amounts borrowed		(2,043)	(1,022)
		<u>(2,468)</u>	<u>(1,507)</u>
<b>(Decrease)/Increase in cash and cash equivalents in the year</b>		<u><b>(6,531)</b></u>	<u><b>6,186</b></u>
Cash and cash equivalents at beginning of the year	19	31,521	25,335
Cash and cash equivalents at end of the year	19	24,990	31,521

## Notes to the Accounts

### 1. Accounting policies

#### Statement of accounting policies and estimation techniques

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

#### General information

Coleg Cambria is a corporation established under the Further and Higher Education Act 1992 as a Welsh General College of Further Education. The address of the College's principal place of business is given on page 21. The nature of the College's operations are set out in the Report of the Governing Body.

#### Basis of accounting

These financial statements have been prepared in accordance with the *Statement of Recommended Practice: Accounting for Further and Higher Education 2019* (SORP 2019), the *College Accounts Direction for 2023 to 2024* in accordance with Financial Reporting Standard 102 – “*The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland*” (FRS 102) under the historical cost convention. The College has applied the amendments to FRS102 issued by the FRC in December 2017 prior to their mandatory effective date of accounting periods beginning on or after 1 January 2019 by early adopting SORP 2019, there were no changes to accounting policies as a result. The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated.

The financial statements are presented in sterling which is also the functional currency of the College.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

#### Going concern

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

The College has a cash and short-term investment balance of £24.9m (£31.5m as at 31 July 2023). The financial forecasts 2024/25 and 2025/26 include a cash flow forecast, which identifies that solvency measures remain strong throughout the forecast period with sufficient cash to cover short term liabilities. The College financial strategy supports the accumulation of reserves and cash balances in order to create a contingency fund, provide funds to invest in learning resources and invest in the estate to improve the learner experience. The College currently has £5.997m (£8.019m 22/23) of debts which relate to long term bank loan facilities used to fund capital investments as part of the College's overall estates strategy. The College has also received Welsh Government capital grants to support estate developments. The level of borrowing expressed as a percentage of income is 7.05%. This is a good measure of how high the level of borrowing is relative to the size of the College. This remains well within the level approved within the financial strategy and the levels used to assess the financial health of the College. The College has assessed its compliance with the loan agreement terms and stated financial covenants at the balance sheet test date, which demonstrated all measures had been achieved. The College's forecasts and financial projections indicate that it will be able to operate within its existing loan facilities and covenants for the foreseeable future.

Accordingly, the College has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements.

## Notes to the Accounts (continued)

**1. Accounting Policies (continued)**

The College will continue to monitor its income and expenditure, particularly in relation to funding received from the Welsh Government and update its financial forecast accordingly. Based on the College's strong underlying financial and cash position the College is confident its accounting policies remain appropriate.

**Recognition of income**

Government revenue grants include funding body recurrent grants and other grants are accounted for under the accrual model as permitted by FRS 102. Funding Body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved. The final grant income is normally determined with the conclusion of the year-end reconciliation process with the funding body following the year-end, and the results of any funding audits.

Grants from non-government sources are recognised in income when the College is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

Government capital grants are capitalised, held as deferred income and recognised in income over the expected useful life of the asset, under the accrual method as permitted by FRS 102. The deferred income is allocated between creditors due in less than one year and those due after more than one year. Other capital grants are recognised in income when the College is entitled to the funds subject to any performance related conditions being met.

Income from tuition fees is recognised in the period for which it is received and includes all fees payable by learners or their sponsors. Income from grants, contracts and other services rendered is included to the extent of the completion of the contract or service concerned. All income from short-term deposits is credited to the income and expenditure account in the period in which it is earned.

**Retirement benefits**

Retirement benefits to employees of the College are principally provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS), which are multi-employer defined benefit plans.

The TPS is an unfunded scheme. Contributions to the TPS are calculated 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 the Government Actuary on the basis of valuations using a projected unit method. The TPS is a multi-employer scheme but sufficient information is not available to use defined benefit accounting and therefore it is accounted for as a defined contribution scheme, with the amount charged to the statement of comprehensive income being the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The Government Actuary conducts a formal actuarial review of the TPS every 4 years. The aim of the review is to ensure scheme costs are recognised and managed appropriately and the review specifies the level of future contributions. The latest actuarial valuation of the TPS was carried out as at 31 March 2020 and published on the 27 October 2023. As a result, employer contribution rates increased to 28.68% of pensionable pay. This is an increase of 5% in employer contribution rates. The result of this valuation was implemented from 1 April 2024. Consequently, the rise in contributions will impact staff costs for the college year 2023 to 2024 and thereafter.

The LGPS is a funded scheme, and the assets of the scheme are held separately. Pension schemes are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating 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. The net interest on the net defined benefit liability/asset is charged to comprehensive income and included within finance costs. Re-measurement comprising actuarial gains and losses and the return

## Notes to the Accounts (continued)

on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

**1. Accounting Policies (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. The cost of any unused holiday entitlement the College expects to pay in future periods is recognised in the period the employees' services are rendered.

**Enhanced pensions**

The actual cost of any enhanced on-going 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 on-going pension of a former member of staff is charged in full to comprehensive income 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.

**Fixed asset investments***Investments in jointly controlled entities*

Interest in jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses in the separate financial statements of the college.

Interests in jointly controlled entities are assessed for impairment at each reporting date. Any impairments losses or reversals of impairment losses are recognised immediately in comprehensive income.

*Other Investments*

Listed investments held as non-current assets and current asset investments, which may include listed investments, are stated at fair value, with movements recognised in Comprehensive Income.

*Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

*Land and buildings*

Land and buildings are stated at cost less accumulated depreciation and accumulated impairment losses. Freehold buildings are depreciated in the first full year after acquisition over their expected useful economic life to the College of 50 years. The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life of 25 years.

*Properties under Construction*

Assets under construction are accounted for at cost, based on the value of architects certificates and other direct costs incurred to 31<sup>st</sup> July. They are not depreciated until they are brought into use.

*Equipment*

Equipment costing less than £2,000 per individual item is written off to the income and expenditure account in the period of acquisition. All other equipment is capitalised at cost in the first full year after acquisition.

## Notes to the Accounts (continued)

**1. Accounting Policies (continued)***Depreciation and residual values*

Freehold land is not depreciated. Depreciation on other assets is calculated, using the straight line basis, to write off the cost of each asset to its estimated residual value over their expected useful lives, as follows:

- Buildings (including infrastructure and directly attributable construction costs) – 50 years
- Plant – 25 years
- Building Improvements / Estates Enhancements / Fixtures and Fittings – 25 years
- Motor Vehicles & Machinery – 4 years
- Computer Hardware and Software – 4 years
- Equipment (General) – 4 years
- Specialist / Workshop Equipment – 10 years

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

Subsequent costs, including replacement parts, are only capitalised when it is probable that such costs will generate future economic benefits. Any replaced parts are then derecognised. All other costs of repairs and maintenance are expenses as incurred.

**Impairment of fixed assets**

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, an estimate is made of the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairment of revalued assets, are treated as a revaluation loss. All other impairment losses are recognised in comprehensive income.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in comprehensive income or, for revalued assets, as a revaluation gain. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

**Borrowing costs**

Borrowing costs are recognised as expenditure in the period in which they are incurred.

**Stocks**

Livestock and crops are measured at their fair value by Clough & Co. Auctioneers and Valuers, and movement taken to the income and expenditure account.

Raw materials 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 3 months or less from the date of acquisition.



## Notes to the Accounts (continued)

**1. Accounting policies (continued)****Financial Instruments**

The College has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

*Financial assets and liabilities*

Financial assets and financial liabilities are recognised when the College becomes a party to the contractual provision of the instrument.

Financial 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 financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets measured at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless arrangement constitutes a financial transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

*Derecognition of financial assets and liabilities*

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

**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 Chapter 3 Part 11 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 exclusively to charitable purposes.

The College is partially exempt in respect of Value Added Tax, so that it can only recover a small minor element of the VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

**Provisions and contingent liabilities**

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.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the statement of comprehensive income in the period it arises.

## Notes to the Accounts (continued)

**1. Accounting policies (continued)**

A contingent liability arises from a past event that gives the College a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the College. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the balance sheet but are disclosed in the notes to the financial statements.

**Agency arrangements**

The College acts as an agent in the collection and payment of learner support funds, the administration of educational maintenance allowances and adult learning grants. Related payments received from the DfES and disbursements to learners 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.

**Critical accounting judgements and estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

*Critical areas of judgement*

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

- Determine whether leases entered into by the College as either a lessor or lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.

*Critical accounting estimates and assumptions*

- *Tangible fixed assets*

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions and the remaining life of the asset.

- *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 22, will impact the carrying value of the pension liability or asset. 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 pension liability.

The future liability of the Clwyd Pension Fund at the Balance Sheet date has decreased from a £500k deficit in 2022/23 to a £2,207k surplus in 2023/24. The 2024 actuarial valuation report has reported that the College still has a legal obligation to make contributions to the fund, considers our rights as an employer to any surplus on exit from the fund and any deficit and future service contributions payable. The College has therefore adopted accounting standard IAS19 to report on pension surpluses.

## Notes to the Accounts (continued)

Following the decision to adopt the IAS19 approach the net present value of future contributions relating to benefit exceeds the net present value of future service costs, measured over the remaining future work lifetime of the active employees. As a result of this, surpluses will be capped at nil. This approach will note that the value of net assets will not exceed the value of the liabilities and we will report a nil balance on the balance sheet.

**1. Accounting policies (continued)**

- *Impairment of fixed assets*

The College considers whether tangible fixed assets are impaired. Where an indication of impairment is identified the estimation of the recoverable amount of the asset or the recoverable amount of the cash-generating unit is required. These will require an estimation of the future cash flow and selection of an appropriate discount rate in order to calculate the net present value of those cash flows.

**2. Funding body grants**

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>Recurrent grants</b>		
Welsh Government	49,347	46,273
Education and Skills Funding Agency	5	31
<b>Specific Grants</b>		
Work Based Learning	12,388	11,713
Releases of government capital grants	2,060	1,978
Additional Learning Support	2,153	2,026
Other grants	6,469	10,725
	<u>72,422</u>	<u>72,746</u>
<b>Total</b>	<u><b>72,422</b></u>	<u><b>72,746</b></u>

**3. Tuition fees and education contracts**

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Further Education	1,463	1,431
Higher Education	2,104	1,980
International students fees	0	0
<b>Total tuition fees</b>	<u>3,567</u>	<u>3,411</u>
Education contracts	1,048	607
	<u>4,615</u>	<u>4,018</u>
<b>Total</b>	<u><b>4,615</b></u>	<u><b>4,018</b></u>

**4. Research grants and other contracts**

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
European Commission	1,456	1,728
Other grants and contracts	68	40
	<u>1,524</u>	<u>1,768</u>
<b>Total</b>	<u><b>1,524</b></u>	<u><b>1,768</b></u>

## Notes to the Accounts (continued)

## 5. Other income

	2024	2023
	£'000	£'000
Catering and residences	1,788	1,565
Other income generating activities	1,780	1,432
Farming income	918	1,071
Other grant income	39	41
Miscellaneous income	1,035	946
	<hr/>	<hr/>
<b>Total</b>	<b>5,560</b>	<b>5,056</b>

## 6. Investment income

	2024	2023
	£'000	£'000
Share of operating surplus in joint venture	80	58
Income from bank deposits	1,048	271
	<hr/>	<hr/>
	<b>1,128</b>	<b>329</b>

## 7. Staff costs

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

	2024	2024	2023	2023
	FTE	No.	FTE	No.
Teaching staff	516	605	489	586
Non-teaching staff	663	836	651	840
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>1,179</b>	<b>1,441</b>	<b>1,140</b>	<b>1,426</b>

	2024	2023
	£'000	£'000
<b>Staff costs for the above persons</b>		
Wages and salaries	43,549	40,411
Social security costs	4,314	4,024
Other pension costs	8,818	9,113
Restructuring costs	994	59
	<hr/>	<hr/>
	<b>57,675</b>	<b>53,608</b>

Notes to the Accounts (continued)

7. Staff costs (continued)

	Year ended 31 July 2024		Year ended 31 July 2023	
	No.	£'000	No.	£'000
Teaching and learning departments	906	41,824	908	38,649
Teaching and learning support services	138	2,988	124	2,569
Other support services	31	1,090	33	1,013
Administration and central services	112	5,809	165	5,518
General education expenditure	10	478	11	427
Premises	128	2,771	108	2,208
Research and consultancy	-	-	-	-
Other income generating activities	70	1,485	60	1,325
Catering and residence	-	-	-	-
Farm	19	596	12	405
<b>Sub-Total</b>	<b>1,414</b>	<b>57,041</b>	<b>1,421</b>	<b>52,114</b>
Restructuring costs	27	994	5	59
	<b>1,441</b>	<b>58,035</b>	<b>1,426</b>	<b>52,173</b>

The above table analysis excludes charges in relation to both defined benefit pension charges and enhanced pension provision.

During the year, a voluntary restructuring exercise took place resulting in 27 severance payments. The payments were approved by a committee of Senior Post Holders and the scheme was approved by the Finance, People & Culture Committee. The total costs of £994k are included under restructuring costs above. £895k relates to contractual payments and £99k relates to non-contractual payments. The non-contractual element relates to a 1.25 multiplier on the statutory redundancy entitlement.

Included in staff restructuring costs are special severance payments (non-contractual) totalling £98,707. Individually, the payments were £235; £461; £1,127; £1,519; £1,714; £1,855; £1,905; £2,004; £2,133; £2,405; £2,787; £3,219; £3,404; £3,437; £3,555; £3,555; £3,555; £3,942; £4,088; £4,144; £4,359; £5,115; £6,263; £7,447; £7,758; £8,290 and £8,431.

The amounts paid in total are disclosed in the following bands:

£0 - £25,000	10
£25,001 - £50,000	8
£50,001 - £100,000	9
£100,001 - £150,000	0
£150,001 +	0

**Key management personnel**

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 Senior Post Holders as detailed on page 1.

	2024 Number	2023 Number
The number of key management personnel including the Accounting Officer was:	4	4

## Notes to the Accounts (continued)

**7. Staff costs (continued)**

The number of key management personnel and other staff who received annual emoluments, excluding pension contributions but including benefits in kind, in the following ranges were:

	Key management personnel		Other staff	
	2024 No.	2023 No.	2024 No.	2023 No.
£60,001 to £65,000	-	-	3	16
£65,001 to £70,000	-	-	17	6
£70,001 to £75,000	-	-	2	2
£75,001 to £80,000	-	-	1	1
£80,001 to £85,000	-	-	1	-
£85,001 to £90,000	-	-	1	6
£90,001 to £95,000	-	-	5	-
£120,001 to £125,000	-	-	-	-
£125,001 to £130,000	-	-	-	-
£135,001 to £140,000	-	3	-	-
£140,001 to £145,000	-	-	-	-
£145,001 to £150,000	3	-	-	-
£155,001 to £160,000	-	-	-	-
£160,001 to £165,000	-	-	-	-
£165,001 to £170,000	-	-	-	-
£180,001 to £185,000	-	1	-	-
£185,001 to £190,000	1	-	-	-
	<u>4</u>	<u>4</u>	<u>30</u>	<u>31</u>

Key management personnel emoluments are made up as follows:

	2024 £'000	2023 £'000
Salaries	623	596
Benefits in kind	0	0
National insurance	81	79
	<u>704</u>	<u>675</u>
Pension contributions	137	121
<b>Total emoluments</b>	<u><u>841</u></u>	<u><u>796</u></u>

There were no amounts due to key management personnel that were waived in the year. The following salary sacrifice schemes were available to all key management personnel during the year: Cycle to Work, Childcare vouchers, Green Car Scheme and loan finance.

## Notes to the Accounts (continued)

**7. Staff costs (continued)**

The governing body determined the remuneration of the Accounting Officer/Chief Executive for 2023/24. The Accounting Officer/Chief Executive was not involved in setting their remuneration. The remuneration package of key management staff, including the Chief Executive, is subject to annual review by the remuneration committee of the governing body. Factors taken into account by the Committee in determining the accounting officer's remuneration for the year to 31 July 2024 included: pay increases for other staff; performance against personal objectives; performance of the organisation and sector benchmarking data on pay of accounting officers to provide objective guidance.

The Chief Executive reports to the Chair of the Governing Body, who undertakes an annual review of performance against the college's overall objectives using both qualitative and quantitative measures of performance. A similar approach was used to determine the remuneration of other key management personnel. The above emoluments also include amounts payable to the Chief Executive (who was also the highest paid officer) of:

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Salaries	187	181
Benefits in kind	0	0
	<u>187</u>	<u>181</u>
Pension contributions	47	42
<b>Total emoluments</b>	<u>234</u>	<u>223</u>

The pension contributions in respect of the Accounting Officer/Chief Executive and senior post-holders are in respect of employer's contributions to either the Teachers' Pension Scheme or Local Government Pension Scheme, which are paid at the same rate as for other employees.

**Relationship of Accounting Officer/Chief Executive pay and remuneration expressed as a multiple**

	<b>2024</b>	<b>2023</b>
Chief Executive <b>basic</b> remuneration as a multiple of the median of all staff	5.37	5.62
Chief Executive <b>total</b> remuneration as a multiple of the median of all staff	5.89	6.88

## Notes to the Accounts (continued)

**7. Staff costs (continued)****Governors' remuneration**

The members of the corporation other than the Accounting Officer and staff members did not receive any payment from the institution other than the reimbursement of travel and subsistence expenses incurred in the course of their duties. During the year 3 (2022/23 - 4) Governors with total expenses of £1,250 (2022/23 - £1,424) were paid in respect of travel and subsistence and other out of pocket expenses incurred in the course of their duties.

**Overseas Activities**

The following costs were incurred during the year ended 31 July 2024 in respect of overseas activities, which were carried out in accordance with the strategy approved by the Governing Body.

Costs in respect of overseas activities for other individuals are as follows:

	Travel and Accommodation	Subsistence and Hospitality	Other Costs	Number of Visits
	£	£	£	
Governors	0	0	0	0
Senior Post-Holders	0	0	0	0
Other Individuals	*8,473	0	0	1
Total	8,473	0	0	1

\*This value includes Euro transfers with values of €9,521 converted at an average exchange rate of: £1 = €1.1237

**8. Other operating expenses**

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Teaching costs	6,860	8,130
Non-teaching costs	8,991	9,031
Premises costs	4,545	4,876
<b>Total</b>	<b>20,396</b>	<b>22,037</b>

**Surplus/ (deficit) before taxation is stated after charging/ (crediting):**

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Fees payable to external auditors in respect of both audit and non-audit fees:		
Financial statements audit	43	38
Other services provided by the financial statements auditors	2	3
Internal Audit	22	22
Agency costs	784	788
(Profit)/losses on disposal of tangible fixed assets (where not material)	(5)	(153)
Hire of assets under operating leases	51	34
	<u>          </u>	<u>          </u>

In accordance with the Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) Regulation 2008 SI 2008/489 as amended with effect from 1 October 2011 under SI 2011/2198 the 2011 Regulations, the disclosure of auditor's remunerations is stated exclusive of VAT.



## Notes to the Accounts (continued)

**9. Interest and other finance costs**

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
On bank loans and other loans:	425	485
	<u>425</u>	<u>485</u>
Net interest on defined benefit pension liability (note 22)	81	862
On enhanced pension provision (note 18)	135	104
	<u>135</u>	<u>104</u>
<b>Total</b>	<b><u>641</u></b>	<b><u>1,451</u></b>

**10. Tangible fixed assets**

	<b>Freehold</b>	<b>Equipment</b>	<b>Assets in the Course of Construction</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cost or valuation</b>				
<b>At 1 August 2023</b>	<b>151,894</b>	<b>25,640</b>	<b>6,477</b>	<b>184,011</b>
Additions	53	2,973	16,544	19,570
Re-classification	-	-	-	-
Disposals	-	(6,813)	-	(6,813)
	<u>-</u>	<u>(6,813)</u>	<u>-</u>	<u>(6,813)</u>
<b>At 31 July 2024</b>	<b><u>151,947</u></b>	<b><u>21,800</u></b>	<b><u>23,021</u></b>	<b><u>196,768</u></b>
<b>Depreciation</b>				
At 1 August 2022	35,763	18,701	-	54,464
Charge for the year	2,568	2,651	-	5,219
Elimination in respect of disposals	-	(6,761)	-	(6,761)
	<u>-</u>	<u>(6,761)</u>	<u>-</u>	<u>(6,761)</u>
<b>At 31 July 2024</b>	<b><u>38,331</u></b>	<b><u>14,591</u></b>	<b><u>-</u></b>	<b><u>52,922</u></b>
<b>Net book value at 31 July 2024</b>	<b><u>113,616</u></b>	<b><u>7,209</u></b>	<b><u>23,021</u></b>	<b><u>143,846</u></b>
Net book value at 31 July 2023	116,131	6,938	6,477	129,546
	<u>116,131</u>	<u>6,938</u>	<u>6,477</u>	<u>129,546</u>

## Notes to the Accounts (continued)

**11. Fixed Asset investments**

The College holds a 40% share in a joint venture with The Manchester College. Novus Cambria, a private company limited by guarantee was incorporated on 29 September 2016 following a successful joint tender to deliver educational provision at HMP Berwyn, Wrexham with the contract for "Learning and Skills" being awarded by the Ministry of Justice. This investment is stated at cost (NIL).

The College owns 1% of the issued ordinary capital shares of Ruthin Farmers Auction Company Limited, the initial cost of which was £16,000.

The College owns a minority share of the issued ordinary capital shares of Corwen Farmers Limited, the initial cost of which was £5,000.

	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
Jointly controlled entities – Novus Cambria	0	0
Other investments	21	21
<b>Total</b>	<b>21</b>	<b>21</b>

**12. Stock**

	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
Livestock and Crops	1,016	926
Raw Materials	44	41
<b>Total</b>	<b>1,060</b>	<b>967</b>

**Livestock and Crops**

	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
Opening Stock	926	936
Increases resulting from purchases	311	478
Decreases attributable to sales	(166)	(177)
Gain arising from changes in fair value	261	182
Decrease resulting from Harvest	(293)	(460)
Other	(22)	(33)
Closing Stock	<b>1,017</b>	<b>926</b>

## Notes to the Accounts (continued)

**13. Debtors**

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Amounts falling due within one year:		
Trade debtors	735	576
Prepayments and accrued income	2,565	3,063
Amounts owed by the Welsh Government	2,980	3,913
<b>Total</b>	<b>6,280</b>	<b>7,552</b>

**14. Current asset investments**

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Short term deposits	17,563	10,156
<b>Total</b>	<b>17,563</b>	<b>10,156</b>

Deposits are held with banks and building societies operating in the London market and licensed by the Financial Conduct Authority with more than three months maturity at the balance sheet date.

**15. Creditors: amounts falling due within one year**

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Bank loans and overdrafts	1,030	1,008
Other loans	14	14
Trade creditors	3,086	1,956
Other taxation and social security	1,144	1,072
Deductions	1,045	1,411
Accruals and deferred income	4,677	5,289
Amounts owed to the Welsh Government	3,601	3,149
Deferred income - government grants	2,580	2,401
<b>Total</b>	<b>17,177</b>	<b>16,300</b>

**16. Creditors: amounts falling due after one year**

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Bank loans	4,899	6,929
Other loans	55	69
Deferred income - government capital grants	66,287	59,426
<b>Total</b>	<b>71,241</b>	<b>66,424</b>

## Notes to the Accounts (continued)

## 17. Maturity of debt

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
In one year or less	1,043	1,022
Between one and two years	1,066	1,043
Between two and five years	3,313	3,272
In five years or more	575	2,682
<b>Total</b>	<b>5,997</b>	<b>8,019</b>

The above loans are secured on a portion of the freehold land and buildings of the College as follows:

	<b>Balance</b>	<b>Interest</b>	<b>Property on which loan</b>
	<b>31-Jul-24</b>	<b>Rate</b>	<b>is secured</b>
	<b>£'000</b>		
Barclays Bank plc	1,853	6.65%	Grove Park Site, Wrexham
Lloyds Bank 2	4,075	Variable	Llysfasi site, Ruthin
Salix	69	0%	Unsecured

Loans from Salix Finance Ltd, as part of the Energy Efficient Loans Scheme, have been used specifically for the purpose of funding energy saving projects. The loans are at a 0% rate of interest and are repayable to 2026/27. Loans amounting to £68,693 remain outstanding as at 31 July 2024.

## 18. Provisions for liabilities

	<b>Defined benefit</b>	<b>Enhanced</b>	<b>Total</b>
	<b>pension scheme</b>	<b>pensions</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 1 August 2023	500	2,703	3,203
Expenditure in the period	(3,845)	(124)	(3,969)
<b>Additional provision in the period</b>	<b>1,138</b>	<b>135</b>	<b>1,273</b>
Effect of asset ceiling(FRS102 para 28.22)	2,207	-	2,207
<b>At 31 July 2024</b>	<b>0</b>	<b>2,714</b>	<b>2,714</b>

Defined benefit pension scheme relates to the liabilities under the College's membership of the Local Government pension scheme. Further details are given in Note 22.

The enhanced pension provision represents the actuarial assessment of the future costs of pension enhancements granted for early retirements. The provision will be utilised over the lives of the individuals in receipt of enhanced pensions and has been recalculated in accordance with guidance issued by the funding bodies.

## Notes to the Accounts (continued)

The principal assumptions for this calculation are:

	2024	2023
Price Inflation	2.8%	2.8%
Discount Rate	4.8%	5.0%

**19. Notes to cash flow statement****A) Reconciliation of surplus after tax to net cash generated from/ (used in) operations**

	2024 £'000	2023 £'000
Surplus for the year	1,318	1,699
<b>Adjustment for:</b>		
Depreciation	5,219	5,276
Impairment of Land and Buildings	-	-
Investment income	(1,128)	(329)
Release of Capital Grants	(2,060)	(1,978)
Interest payable	425	485
Loss/(gain) on sale of fixed assets	5	(153)
Increase/(decrease) in provisions	11	(450)
Pensions costs less contributions payable	(482)	2,452
Pension surplus/(deficit) lump sum payment	49	(881)
Operating cash flow before movements in working capital	3,357	6,121
(Increase)/decrease in stocks	(93)	5
Decrease/(increase) in debtors	1,271	(2,698)
Increase/(decrease) in creditors	877	3,112
	5,412	6,540

**B) Consolidated analysis of changes in net debt**

	At 1 August 2023 £'000	Cash flow £'000	New finance leases £'000	Other non-cash changes £'000	Changes in market value and exchange rates £'000	At 31 July 2024 £'000
Cash in hand, and at bank	21,365	(13,939)	0	0	0	7,427
Current asset investment	10,156	7,407	0	0	0	17,563
	31,521	(6,532)	0	0	0	24,990
Bank loans	(8,019)	2,022	0	0	0	(5,997)
<b>Net debt</b>	23,502	(4,510)	0	0	0	18,993

## Notes to the Accounts (continued)

**20. Capital commitments**

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Contracts for future capital expenditure not provided	4,556	18,285
	<u>4,556</u>	<u>18,285</u>

**21. Commitments under operating leases**

The total future minimum lease payments under non-cancellable operating leases as follows:

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Not later than one year	63	51
Later than one year and not later than five years	201	245
Later than five years	0	18
	<u>264</u>	<u>314</u>

**22. Retirement Benefits**

The College's employees belong to two principle pension schemes; the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Flintshire County Council (Clwyd Pension Scheme). Both are multi-employer defined-benefit plans.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31 March 2020 and of the LGPS 31 March 2023.

<b>Total pension cost for the year</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Teachers' Pension Scheme: contributions paid	5,701	4,895
Local Government Pension Scheme:		
Contributions paid	3,845	3,778
FRS 102 (28) charge	<u>(563)</u>	<u>1,590</u>
Charge to the Statement of Comprehensive Income	3,282	5,368
Enhanced pension charge to Statement of Comprehensive Income	(165)	(1,150)
	<u>8,818</u>	<u>9,113</u>
<b>Total Pension Cost for Year</b>	<b>8,818</b>	<b>9,113</b>

## Notes to the Accounts (continued)

**22. Retirement Benefits (continued)****Teachers' Pension Scheme**

The Teachers Pensions' 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 education 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 the definitions set out in FRS 102, 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 Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023. The valuation report was published by the Department for Education on 27 October 2023.

The key elements of the valuation are:

- employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million;
- the SCAPE discount rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of CPI, and is based on the Office for Budget Responsibility's forecast for long-term GDP growth.

The valuation result was implemented from 1 April 2024 and the rise in the employer contribution rate has impacted staff costs from 2024 onwards. A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

The employers pension costs paid to TPS in the year amounted to £5,701,000 (2022/23 - £4,895,000).

**Local Government Pension Scheme**

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Flintshire County Council (Clwyd Pension Fund). The total employer's contributions made for the year ended 31 July 2024 were £3,845,000 (£3,778,000 in 2022/23), of which employer's contributions totalled £3,502k, pension strain costs in relation to a voluntary severance scheme totalled £392k and a lump sum credit of £49k due for the period from April to July 2024. Following a triennial review in 2022, the agreed contribution rate increased with effect from April 2023, from 16.5% to 18.1% (employer) and ranges from 5.5% to 12.5% for employees, depending on salary.

**Principal Actuarial Assumptions**

The following information is based upon a full actuarial valuation of the fund as at 31 March 2022 updated 31 July 2024 by a qualified independent actuary.

	<b>At 31 July 2024</b>	<b>At 31 July 2023</b>
Rate of increase in salaries	3.85%	3.95%
Future pensions increases	2.70%	2.80%

## Notes to the Accounts (continued)

Discount rate	4.90%	5.10%
CPI/CARE benefits revaluation	2.60%	2.70%

**22. Retirement Benefits (continued)**

The average life expectancy for a pensioner retiring at 65 on the reporting date is:

	<b>At 31 July 2024</b>	<b>At 31 July 2023</b>
	<b>Years</b>	<b>Years</b>
<i>Retired members</i>		
Males	21.00	20.90
Females	23.50	23.40
<i>Retiring in 20 years</i>		
Males	22.30	22.30
Females	25.30	25.20

The College's share of the assets in the plan at the balance sheet date were:

	<b>Fair Value at 31 July 2024</b>	<b>Fair Value at 31 July 2023</b>
	<b>£'000</b>	<b>£'000</b>
Equities	15,169	12,608
Bonds	35,462	36,813
Property	4,510	5,246
Cash/Liquidity	7,174	2,117
Other	40,176	35,249
<b>Total fair value of assets</b>	<b>102,491</b>	<b>92,033</b>

The amount included in the balance sheet in respect of the defined benefit pension plan is as follows:

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Fair value of plan assets	102,491	92,033
Present value of plan liabilities	100,284	95,533
Pension asset before adjustments	2,207	(500)
Effect of asset ceiling (FRS102 para28.22)	(2,207)	0
<b>Net pensions (liability) (Note 18)</b>	<b>0</b>	<b>(500)</b>

Included within actuarial gains on the scheme assets is an amount of £2,207,000 in respect of the restriction on the surplus in the Flintshire County Council scheme (Clwyd Pension Fund) as at 31 July 2024. The total value of the assets recorded under "fair value of plan assets" detailed above of £102,491,000 has not been decreased in respect of the asset ceiling restriction and represents the rolled forward fair value of the scheme assets at 31 July 2024.



## Notes to the Accounts (continued)

**22. Retirement benefits (continued)**

A High Court ruling on 26 October 2018 clarified that an obligation exists to adjust benefits for the effect on inequalities caused by any GMP earned in the defined benefit pension plan between 17 May 1990 and 5 April 1997.

For the public sector pension schemes, HM Treasury had already launched a consultation on the issues surrounding GMP equality and increases in GMP's, and have stated since the judgement that "public sector schemes already have a method to equalise guaranteed minimum pension benefits, which is why we will not have to change our method as a result of this judgement". The clear implication is that the Government (who have overall power to determine benefits provision) believe the judgement itself will not affect benefits. Therefore, it is not appropriate for any provision to be included at the present time. The Actuary has therefore not made any allowance for GMP equalisation, consistent with previous years and the most recent valuation.

In December 2020, a further High court ruling extended GMP equalisation to historic transfers. However, it is unclear how this ruling may (or may not) be relevant in the LGPS where the member has transferred out of the LGPS completely, or transferred between LGPS funds. This is a legal question currently being considered by HM Treasury and therefore given the uncertainty there have been no adjustments for this as part of the actuarial valuation.

The analysis of amounts charged to the Statement of Comprehensive Income and Expenditure is as follows:

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>Charged to staff costs:</b>		
Current service cost	(2,924)	(4,487)
Curtailments	(407)	0
<b>Total charged to staff costs</b>	<b>(3,331)</b>	<b>(4,487)</b>
<b>Credit/charge for net return on pension scheme:</b>		
Interest income	4,601	3,020
Interest cost	(4,682)	(3,882)
<b>Net interest charged</b>	<b>(81)</b>	<b>(862)</b>
<b>Credit/charge to other comprehensive income:</b>		
Return on assets	3,464	(1,929)
Other experience gain/(loss)	374	(11,212)
Gain/(loss) arising on changes in financial assumptions	(1,774)	32,035
Gain/(loss) on demographic assumptions	210	5,160
<b>Actuarial (Loss)/Gain</b>	<b>2,274</b>	<b>24,054</b>
<b>Analysis of the movement in deficit during the year:</b>		
Deficit in scheme at start of year	(500)	(22,983)
Service costs	(2,924)	(4,487)
Employer contributions	3,845	3,778
Net interest costs	(81)	(862)
Curtailments	(407)	0
Actuarial (loss)/gain	67	24,054
<b>Surplus/(Deficit) in scheme at end of year</b>	<b>0</b>	<b>(500)</b>

## Notes to the Accounts (continued)

**22. Retirement benefits (continued)**

In December 2018 the Court of Appeal ruled against the Government in the two linked cases of Sargeant and McCloud (which for the purposes of the LGPS has generally been shortened to "McCloud"), relating to the Firefighter unfunded pension schemes and the Judicial pension arrangements. In essence, the Court held that the transitional protections, which were afforded to older members when the reformed schemes were introduced in 2015, constituted unlawful age discrimination.

The Government has accepted that remedies relating to the McCloud judgement are needed in relation to all public service pension schemes, and a consultation was published in July 2020 including a proposed remedy for the LGPS.

The key feature of the proposed remedy was to extend the final salary scheme underpin to a wider group of members for service up to 31 March 2022. This applies to all members who were active on or before 31 March 2012 and either remain active or left service after 1 April 2014 (including to those members who no longer has a benefit to entitlement from the Fund).

The Actuary's figures already include an allowance for McCloud that is substantially in line with the remedy. There are some minor areas where the Actuary's approach differs (principally in respect of members who left service after 1 April 2014), but other than in exceptional circumstances the Actuary would not expect the impact of these minor proposed changes to be significant. Even where there would be minimal impact an accurate assessment would be extremely difficult (if not impossible) due to the lack of availability of data. Therefore, the view is that no further adjustments are required in relation to McCloud.

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>Changes in the present value of defined benefit obligations</b>		
<b>Defined benefit obligations at start of period</b>	92,533	111,666
Current Service cost	2,924	4,487
Interest cost	4,682	3,882
Contributions by Scheme participants	1,240	1,124
Experience gains and losses on defined benefit obligations	(374)	11,212
Changes in financial assumptions	1,774	(32,035)
Changes in demographic assumptions	(210)	(5,160)
Curtailments	407	0
Estimated benefits paid	(2,692)	(2,643)
<b>Defined benefit obligations at end of period</b>	<b>100,284</b>	<b>92,533</b>
<b>Change in fair value of plan assets</b>		
<b>Fair value of plan assets at start of period</b>	92,033	88,683
Interest on plan assets	4,755	3,159
Return on plan assets	3,464	(1,929)
Administration Expenses	(154)	(139)
Employer contributions	3,845	3,778
Contributions by Scheme participants	1,240	1,124
Estimated benefits paid	(2,692)	(2,643)
<b>Assets at end of period</b>	<b>102,491</b>	<b>92,033</b>

## Notes to the Accounts (continued)

**23. Related party transactions**

Owing to the nature of the College's operations and the composition of the Governing Body being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Governing Body may have an interest.

All transactions involving organisations in which a member of the board of governors may have an interest are conducted at arm's length and in accordance with the College's financial regulations and normal procurement procedures.

Governors are reimbursed for expenses such as mileage, travel costs and subsistence incurred in their capacity in undertaking duties as a member of the College Governing Body. Payments made to Governors in the year totalled £1,250.

A register of Members' interests which records any business interest, financial or otherwise which may be perceived as being likely to interfere with the exercise of a member's independent judgement, is maintained by the College. The register can be inspected by prior arrangement with the Governance Officer and Clerk to the Corporation.

**Transactions with jointly controlled entities**

During the year the College provided services to Novus Cambria totalling £45,000 (2022/23 £172,000). During the year the company distributed a charitable donation of £79,000 to the College (2022/23 £57,000).

**Transactions with key management personnel**

Key management remuneration disclosure is given in note 7.

**24. Amounts distributed as agent****Learner Support/Financial Contingency Fund**

During the 2023/24 financial year the College received £678k (£777k 2022/23) from the Welsh Government as earmarked Learner Support/Financial Contingency Funds. The funds were administered in accordance with the terms and conditions specified by the Welsh Government and any unspent funds will be repaid to the Welsh Government, in accordance with the funding guidance.

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
At 1 August	91	-
Funding body grants – learner support fund	678	777
Interest earned	2	1
	<u>771</u>	<u>778</u>
Disbursed to students	(237)	(211)
Administration costs	(20)	(23)
Consolidated in financial statements	(434)	(453)
Balance unspent as at 31 July	<u>80</u>	<u>91</u>

## Notes to the Accounts (continued)

Welsh Government grants are available for students; the college acts only as paying agent. The grants and related disbursements are therefore excluded from the Income and Expenditure Account for 2023/24.

The income and expenditure consolidated in the College's financial statements relates to nursery fees, transport and accommodation costs paid by the College on the students' behalf. During the year, an amount of £72k was released to the College's income and expenditure account for nursery fees, £358k for learner transport costs and a further £4k for the provision of residential accommodation.

The balance unspent at the end of the financial year includes £67k, which can be carried forward to 2024/25, in accordance with the conditions of the grant funding and £13k, which relates to 2022/23 and has not yet been reclaimed by the Welsh Government.