



colegceredigion

COLEG CEREDIGION
(a company limited by guarantee)

ANNUAL REPORT

FOR THE YEAR ENDED 31 JULY 2017

Company registration no: 08725643

Charity registration no: 154557

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Coleg Ceredigion

Annual report for the year ended 31 July 2017

	Page(s)
Public Benefit Statement	1
Strategic Report	2-21
Directors' Report	22-24
Corporate governance statement	25-28
Independent auditor's report to the members of Coleg Ceredigion	29-31
Statement of comprehensive income	32
Statement of Changes in Reserves	33
Balance sheet	34
Statement of Cash flows	35
Notes to the financial statements	36-52

Coleg Ceredigion

PUBLIC BENEFIT STATEMENT

Charitable Objectives

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

In making decisions the trustees have had due regard to public benefit guidance.

Fulfilment of the charitable objectives

Beneficiaries

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

Admissions

The College operates an inclusive admissions policy. However some programmes have specific entry requirements which are reviewed annually and published in the College prospectus.

Student Support/Bursaries/Scholarships

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

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

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

Widening Participation

The College has a broad range of academic and vocational education and training programmes. These range from pre-entry to level 5. It also provides for 14-16 school pupils who attend the College and adult learners. The College delivers across two campuses and in the workplace.

Community Engagement

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

By order of the Board

Signature



Date:

6/12/17

Ms Maria Stedman

Director and Chair

Coleg Ceredigion

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2017

The directors present their strategic report for the year ended 31 July 2017.

COLLEGE MISSION

The College mission statement, as recorded in its Strategic Plan 2016-2019 and as approved by the Board reads:

'Fulfilling Potential- Changing Lives'

BACKGROUND

Coleg Ceredigion Further Education Corporation was established under the Further Education and Higher Education Act 1992 for the purpose of conducting education and training at Coleg Ceredigion, which is a bilingual further education college with campuses at Aberystwyth and Cardigan.

On 31 December 2013 the Coleg Ceredigion Further Education Corporation (Dissolution) Order 2013 came into force. This order dissolved the further education corporation previously established and transferred all of its properties, rights and liabilities to the new Coleg Ceredigion Company (incorporated on 9 October 2013). The Coleg Ceredigion (Designated Institutions in Further Education) Order 2013 came into force on the same day establishing a new College conducted by a registered company, limited by guarantee. This new Coleg Ceredigion company is a wholly owned subsidiary of University of Wales: Trinity Saint David

PRINCIPAL ACTIVITIES

The principal activities of the College are the provision of conducting education and training, within a rural, bilingual further education college situated on campuses in Aberystwyth and Cardigan.

The distance between the two campuses is 40 miles. The college's main catchment area is the county of Ceredigion but the college also attracts a considerable number of students from parts of North Pembrokeshire, North Carmarthenshire, North West Powys and South Meirionydd.

The College has an annual turnover of around £5m and employs 175 staff about 68 of whom are employed on a full-time basis. Each year, nearly 2000 learners enrol at the college. These include around 650 full-time learners, 34% being school leavers from the ten secondary schools in the college's catchment area (the seven secondary schools in Ceredigion together with the secondary schools located in Machynlleth, Newcastle Emlyn and North Pembrokeshire).

Ceredigion's population, according to the 2011 census is 75,922. With 43 people per square kilometre, the area is less densely populated than Wales as a whole. In keeping with the rest of Wales 15.7% of the population in the area is of retirement age. The number of 16-19 year olds in the county is projected to decrease significantly over the next 15 years. Consequently, the college takes careful account of this demographic trend in all its decision-making in relation to the college curriculum. According to the 2011 Census 47% of the population in Ceredigion are Welsh speakers, compared with 19% across Wales.

Coleg Ceredigion

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2017 (continued)

The population is scattered throughout the small towns, villages and hamlets of the county. Aberystwyth is by far the largest town, with a resident population of over 18,000, which increases to approximately 25,000 during university term time. The next largest towns are Cardigan with a population of 4,000 and Lampeter with a resident population of 2,000, which also increases during university term time. The fourth largest town is Aberaeron with a population of 1,500. Coleg Ceredigion's campuses are therefore located in the two largest towns in the county.

Ceredigion is poorly served by public transport. Some main routes have an adequate bus service but public transport is a challenge for many communities. Many learners would not be able to attend Coleg Ceredigion were it not either for their own private transport or for the bus service.

STRATEGIC AND OPERATIONAL PLANS

The Board seeks to fulfil this mission and achieve its associated aims and strategic objectives through the development and implementation of a three-year strategic plan, an Annual Operational Plan, and a range of specific supporting operational plans.

In seeking to fulfil its mission the College's has a set of values and strategic priorities, and these are set out in the Colleges' Strategic Plan 2016-19 as follows:

VALUES

- To be **Inclusive**: We value diversity and are committed to equality for all in cultures of mutual respect.
- To be **Open**: We are committed to openness, honesty, teamwork and collaboration where all individuals are given a voice.
- To be **Successful**: We believe that every individual has the potential to succeed.

KEY THEMES AND STRATEGIC PRIORITIES

In addition, the college has 7 Strategic Themes, against which it establishes an annual strategic aim. In 2016-17 these were:

	KEY THEMES	STRATEGIC PRIORITY 2016-17
	Strong Leaderships	Inspire a united vision which champions a revolutionary structure for educational pathways in Wales.
	Teaching and Learning	Deliver knowledge and skills through a diverse and high quality curriculum to enable learners to make inspirational choices.
	Sustainable Futures	Enhance and grow enterprising attitudes and skills to enable the learners to take control of their economic destiny
	Bilingual Nation	Establish the college as a leading bilingual institution which promotes the creation of a society where the Welsh language and culture are integral to social and economic success.
	Progress and Support	Support Learners to maximise their potential so that they have the tools to continue to grow and develop and support their communities.
	Digital Living	Innovate in and embed technology enhanced learning in order to create a digitally capable nation.
	Maximising Resource	Provide a high quality environment which utilises resources sustainably and cost effectively to contribute to the minimisation of global impact

Coleg Ceredigion

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2017 (continued)

In addition to its overarching Annual Operational Plan the college has a range of supporting plans. In 2016-17 they were as follows:

- Business and Enterprise Strategy
- Environmental Management Strategy
- Equality and Diversity Scheme
- ESDGC Strategy
- Estates Strategy and PMP Recommendations
- Financial Strategy
- Health and Safety Strategy
- IT Strategy
- Learner Engagement and Support Strategy
- Learning and Teaching Strategy
- Literacy and Numeracy Strategy
- Marketing Strategy
- Partnership Strategy
- Provision Development Plan
- Risk Policy and Risk Register
- Safeguarding Strategy and Policy
- Self-Assessment Report and Quality Development Plan
- Sponsorship Strategy
- Staff Development Policy
- UWTSO Group Commercialisation Strategy
- Welsh Language Scheme
- Widening Participation Strategy

The implementation of the strategic and operational plans is the responsibility of the College's Executive Committee.

Coleg Ceredigion

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2017 (continued)

FINANCIAL PERFORMANCE

The college incurred a deficit of £360,000 (2016: deficit £429,000), However the deficit is after "non cash" items relating to depreciation and additional pension charges consistent with the requirements of Financial Reporting Standard No 102: Retirement Benefits (FRS102).

The underlying(deficit)/surplus generated by the college is shown below:

	2017	2016
	£	£
Deficit for the year	(360,000)	(429,000)
Non-cash items:		
Depreciation net of deferred capital grants	158,000	140,000
FRS102 pension adjustments	261,000	133,000
Underlying surplus/(deficit)	59,000	(156,000)

Total income for the 2016-17 financial year was up by 14% to £5,644,000 compared with £4,940,000 in the previous year. The increase in income was mainly due to additional revenue grants and the reimbursement of restructuring costs by UWTSO. Recurrent Welsh Government grants accounted for 72% of income in 2017 compared with 79% in the previous year.

Total expenditure for the 2016-17 financial year has increased by 12% to £6,004,000 compared with £5,369,000 in the previous year.

Salary costs showed a 7% increase at £4,350,000 compared to £4,058,000 and staff costs as a percentage of total income decreased to 77% from 82% in the previous year.

There has been an increase of £143,000 in reserves, mainly due to a decrease in pension liabilities. There has been a decrease in the cash balance of £112,000 to £262,000 (2016: £374,000). Trade creditors were reduced to £9,000 (2016 : £167,000) at year end as the majority of suppliers were paid pending move to new financial system. However the assets less current liabilities have increased to £5,172,000 (2016: £4,688,000).

FINANCIAL OBJECTIVES:

- to achieve a year end position in line with the financial forecasts and a positive cash flow
- to diversify income streams and reduce reliance on core funding
- to ensure a healthy short term liquidity position
- to fund continued capital investment

The College wishes to accumulate cash balances to fund future planned capital developments. To achieve this, the College has continued its drive for efficiency in the education and training it delivers. This has been and will be achieved by thoroughly reviewing its curriculum provision, effective deployment of resources and best value procurement of goods and services.

Coleg Ceredigion

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2017 (continued)

KEY PERFORMANCE INDICATORS

The college has 8 Key Performance Indicators (KPI) which are matched to the annual operational targets. Working with staff and learners and taking account of local need on an annual basis each year, we identify strategic priorities against which we set a key target. Our other targets are driven by local and regional need, the annual Ministerial Priorities Letter, our Remit Letter from UWTSO and the continual drive to improve quality and outcomes.

What do we do well?

- Attainment rates are above national comparators and we are ranked 5th out of 13 colleges in Wales;
- We care for and support our learners;
- Retention rates have improved during 2016/17;
- We offer a wide range of provision over different levels, which allow for learner progression; and
- We have invested in technology and industry standard equipment to benefit our learners

What do we need to do to improve?

- Increase successful completion rates;
- Increase non WG funded provision and develop pre apprenticeship and apprenticeships;
- Increase part time provision;
- Increase participation in World Skills competitions;
- Increase level 4 provision; and
- Harmonise functions and processes with Coleg Sir Gar in order to effect resilience and efficiency.

THE FUTURE

The college will continue to grow and develop its curriculum portfolio to meet the needs of its learners and the local and regional economy. Seeking bilingual developments are at the heart of the college's work in preparing young people to work and live in a bilingual community and meet the demand for welsh language skills from industry. Continuing to innovate in teaching and learning and enhancing skills levels remain key priorities.

The college will continue to seek out opportunities for collaborative ventures that will enhance the college's position within the local community.

With effect from 1st August 2017, Coleg Ceredigion became a subsidiary of Coleg Sir Gar. The Principal of Coleg Sir Gar became Principal of Coleg Ceredigion on 1st June 2017.

Coleg Ceredigion

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2017 (continued)

CURRICULUM DEVELOPMENT AND ENRICHMENT

The college currently offers learning provision in a wide range of areas including the following Subject Sector Areas:

SSA1 Health, Public Services and Care	Childcare Development
	Health and Social Care
	Adult Care
	Access to Nursing and Health Professions
SSA2 Science and Mathematics	GCSE Maths
SSA34 Engineering and Manufacturing	Motor Vehicle Operations and Maintenance
	Furniture
SSA5 Construction, Planning and the Built Environment	Carpentry and Joinery
	Trowel Trades
	Maintenance
SSA6 Information and Communication Technology	IT Practitioners and IT Users
SSA7 Retail and Commercial Enterprise	7b: Hair and Beauty
	7c: Hospitality and Catering
SSA9 Arts, Media and Publishing	9a: Performing Arts
	9b: Art and Design
	9b: Media
SSA12: Languages, Literature and Culture	English
SSA14: Preparation for Life and Work	14a: Independent Living Skills
	14b: Adult Basic Education
	14c: Foundation for Work
	14d: ESOL
SSA15: Business, Administration and Law	Business
	Accountancy
Non SSA	Pre GCSE and GCSE programme

The majority of Coleg Ceredigion's learning provision is funded by DfES through the post 16 funding allocation. The college also offers a range of work-based learning provision (Care and Accounting being the main areas), which is delivered through the B-wbl Consortium of which the college is a partner, as well as delivering provision for CITB. The college also delivers a small amount of higher education provision, namely PGCE and Cert Ed (teacher training) which is funded through a franchise arrangement with the College's parent body, UWTSO; the UWTSO GWLAD Foundation Diploma in Professional Practice (Furniture Design and Making); and has received approval to run the UWTSO Certificate in STEM. The curriculum provides a service to the whole learning community and provision is available from pre-entry up to level 5.

The curriculum in 2016-17 was comprehensively planned and reviewed by the Curriculum Quality, Teaching and Learning Committee which reported to the Executive Committee. Planning took into account Ministerial Priorities and Labour Market Intelligence (including reports from Sector Skills Councils, Welsh Government, and the Regional Learning Partnerships including the emerging "Growing Mid- Wales" Partnership). Effective consultation also took place with school partners, the LEA, within the UWTSO group, industry, employers and learners.

The college places strong emphasis on providing bilingual and Welsh medium opportunities to enhance employment opportunities for learners.

The college secured £851,000 for skills equipment, IT and capital allocations from Welsh Government. The capital allocation allowed the college to carry out much needed roof repairs at the Llanbadarn Campus as well as benefitting learners' digital experience across both campuses by providing AV touchscreens in all classrooms, an efficient print solution, new Desktop PCs and laptops with the IT allocation. Industry standard skills equipment was purchased within the Catering, Construction, Furniture, IT, Media, Motor Vehicle and Science subject sector areas. Equipment included a CNC router, Rolling Road, Science Lab, IT Tech Labs and updated kitchen and restaurant equipment.

Coleg Ceredigion

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2017 (continued)

Coleg Ceredigion is committed to Education for Sustainable Development and Global Citizenship (ESDGC) and takes consideration of the well-being indicators in relation to the Wellbeing of Future Generations Act. Learners are involved in a variety of community and charity projects and work with local organisations in raising funds and awareness.

The college has a clear learner involvement activity and most learners voice their opinions effectively through questionnaires, focus groups, course representatives' meetings and learner representation on the governing body.

Entrepreneurship education is embedded within the curriculum and learners benefit from a programme of activities led by the Head of Commercial Services and Enterprise. Work related experience opportunities and activities are provided for all of our learners on long (full time) courses. These include work placement, workshops, master-classes, talks from employers and Dynamo role models.

The college has excellent relationships with local employers many of which are microbusinesses. There are no private large employers in the county with the largest employers being public sector based, including Bronglais Hospital, Ceredigion County Council, Aberystwyth University and the college itself.

PARTNERSHIP

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

The college has played a leading role in developing Partnerships with a broad range of partners within Ceredigion and on a regional level. Some of this work is undertaken in networks such as the 14-19 Network, Growing Mid Wales Partnership, Regional Learning Partnership, and the Ceredigion ACL Partnership. Some work is with a range of FE and HE institutions, the B-WBL Work-based Learning Consortium, voluntary, statutory and specialist agencies, the local economic and the Regeneration Partnership.

QUALITY AND STANDARDS

Targets are set at organisation and course level using the LOR and underlying data. The college utilises benchmarking data in order to set retention, attainment and successful completion targets and these are reviewed at the Curriculum, Quality, Teaching and Learning Committee, at Executive, and by the Curriculum and Standards Committee which is a sub-committee of the Board of Directors. This data is analysed using ESTYN and DfES thresholds.

The LOR for 2015/16 shows the following:

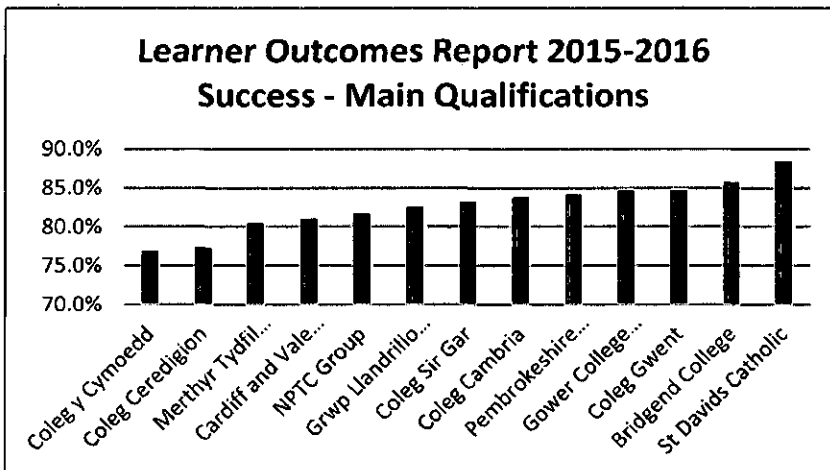
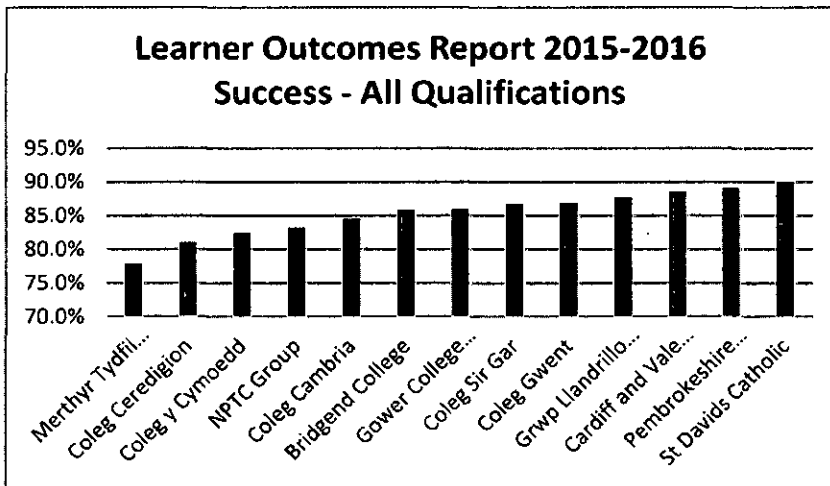
Completion Rate 88%
Attainment Rate 95%
Success Rate 81%

Coleg Ceredigion

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2017 (continued)

1. The college maintained its previous year's Weighted Success rate of 81%. This is below the National Comparator of 86% and the college is ranked 12/13 for successful completion of all qualifications. Completion (retention) has decreased by 2% to 88%, but attainment has increased by 3% to 95% (above the national comparator of 94%). The college is ranked 5/13 for attainment.
2. The college remains within Quartile four for success. It should be noted, however, that as the Quartile boundaries are grouped closely together, judgments made on the basis of quartiles alone are not robust. In addition, Coleg Ceredigion delivered 1.5% of the total Sector terminated Learning Activities during 2015/16. Due to the size of the provision, the data is 'statistically insignificant', and should not be used in isolation when judging the performance of the college.

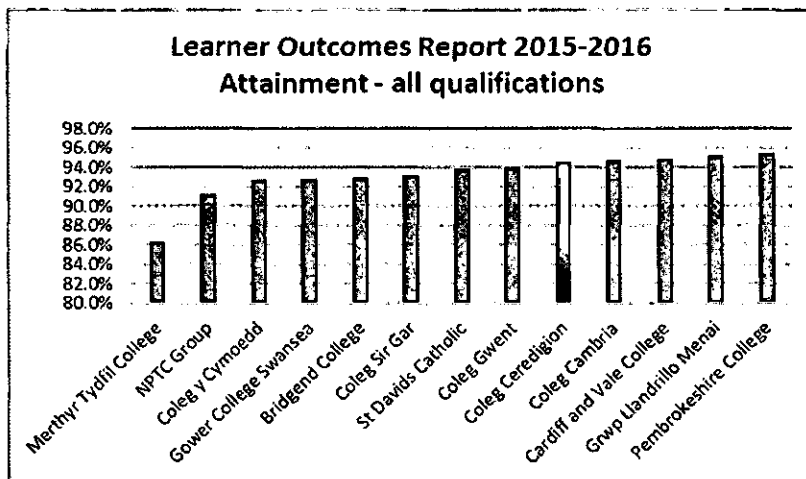


Coleg Ceredigion

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2017 (continued)

SSAs	2015/16	2014/15	2013/14	Nat Comp 2015/16	Below, =, or above NC	Trend 13/14 to 15/16
	Main Quals	Main Quals	Main Quals			
	College Main Quals	College Main Quals	150 hours benchmark			
Health, public services and care	75%	81%	82%	79%	<	
Science and Mathematics	68%	78%		81%	<	
Agriculture, horticulture	N/A	82%		85%	N/A	
Engineering	78%	83%		79%	<	
Construction	84%	84%		82%	>	
IT	78%		70%	78%	=	
Hair and Beauty	75%	76%	76%	82%	<	
Hospitality and Catering		76%		86%	>	
Leisure, Travel and Tourism	N/A	N/A		N/A	N/A	
Performing Arts		65%	81%	85%	<	
Art and Design	68%	70%	77%	83%	<	
Social Sciences				79%	>	
Languages and Literature	79%		80%	88%	<	
Preparation for work and life			N/A	87%	>	
ILS	N/A	N/A	N/A	N/A	N/A	
Foundation for Work				86%	>	
Business and Law		72%		76%	<	

- For 2015-16, the areas, which have 'Excellent' Success rates, i.e. 85% or above, are: Hospitality and Catering, Social Sciences, and Preparation for Life and Work.
- Areas with 'Good' Success rates for 2015-16 include: Health and Social Care, Engineering, Construction, Information Communication Technology, Languages, Literature and Culture, and Hair and Beauty.
- The areas which have 'Adequate' Success rates are Arts Media and Publishing and Science and Mathematics.
- Business, Administration and Law (5.2% of provision) has unsatisfactory success rates which are due to low retention on the two year Level 3 Business course. Although retention in 2016/17 has improved to 93% in year one of the course as compared to 80% in the previous year, retention on year two of the course during 2016/17 is 67% and will impact on the success rates in 2016/17. Performing Arts also has unsatisfactory success rates which are due to the recording of achievement of the Level 2 BTEC Performing Arts qualification which sits within the GCSE programme offered to learners.



Attainment data for 2015/16 shows that the college is ranked 5 out of 13 colleges and 11/13 Qualification

Coleg Ceredigion

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2017 (continued)

Levels and SSAs have attainments of above 90%. The exception is Level 2 Awards and Certificates where attainment is 84% and 55.6% respectively. The revised structure and recording of achievement of BTEC level 2 qualifications has had a negative impact on SSA 9 (Arts, Media and Publishing) and SSA 15 (Business). Learners who do not achieve the External Assessment component of the Level 2 qualification are awarded an overall Level 1 qualification. This result is therefore classed as 'non achievement' within the WG data LLWR data management system. Small numbers on these courses have impacted on the overall results. A review of level 2 courses has taken place and where appropriate qualification aims have been changed. For example, Level 2 art students are now undertaking a WJEC Art qualification, and Business will be changing to an OCR qualification in 2017/18.

As a small college in a rural area, Coleg Ceredigion is disadvantaged by small group sizes. Where learners leave before the end of their programme, the impact on completion and attainment (and ultimately successful completion) statistics is amplified. For example, where enrolments are 12; 2 learners leave before the end of their course; and 9 gain the qualification, the successful completion rate is 75%, whereas attainment is 90%.

QUALITY OF TEACHING AND LEARNING

Essential Skills

The issue of learners coming with Essential Skills qualifications that do not match their skill level has been addressed through initial screening at interview and with diagnostic assessments being conducted during Induction and tutorial sessions. Learners, who are identified with a skill level below that of their Essential Skills qualification, work towards consolidating their skills level before working towards the next level.

Attainment and success rates have increased and are as follows:

ESW Rates	2014/15		2015/16	
	Attainment	Success	Attainment	Success
L1	89.90%	76.90%	94.10%	80.10%
L2	83.60%	71.40%	94.90%	85.50%
L3	94.70%	83.40%	98.30%	92.90%

All learners on full-time and substantial part time courses complete WEST initial diagnostic screening in literacy, numeracy and Welsh as well as Digital Literacy. Prompt feedback and follow-up actions result in appropriate support being provided for learners. This support is provided either as 1:1 or small group support in class, and in the Learning Resource Centres, as appropriate to individual learners' needs. Following WG policy, the college implemented WEST from April 2015.

The college staff have been involved in the Colegau Cymru project developing CPD for the new Essential Skills and appropriate tutors have been on training for the new GCSEs in English and Maths (Numeracy). 17 full time lecturing staff have undertaken Level 3 training in Digital Literacy. Twilight sessions are delivered by our literacy, numeracy and digital literacy co-coordinators to support tutors in their delivery of the new Essential Skills.

The college implemented a ESW Panel during 2016/17 in order to ensure that all learners follow an ES programme at a level appropriate to the individual. The panel assess learners' initial diagnostic screening results; free writing results; entry qualifications; and the requirements of the LAP. The methodology will be reviewed in December 2017 on analysis of the results.

The Literacy Co-ordinator has been developing a Learning Programme for staff to deliver the new Communication Essential Skills qualification. The resources are:

- Learning Programme for the delivery of Essential Communication Skills;
- A literacy guide for the delivery of main literacy points (e.g. capital letters, paragraphing)

The college has increased its provision of GCSE Maths/Numeracy and English in order to enable learners following the Advanced WBQ to improve their grades. These classes are also available for learners on other

Coleg Ceredigion

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2017 (continued)

courses where appropriate and learners can attend these sessions alongside their main qualifications. The college has increased the number of classes available and will review provision during 2017-18.

As part of the GCSE full time programme, additional hour-long sessions are provided in literacy (in which students attempt an additional narrative writing task for GCSE English, practice self/peer assessment and focus more on SPaG accuracy, proofreading and correction) and numeracy which is designed to improve core maths skills for GCSE Maths. Evening classes are also offered so that learners may improve grades. They are also an effective way to ensure all students have access to a GCSE but this option is not desirable to all, often because of transport issues.

Welsh Language skills

All prospective learners' level of Welsh is assessed at interview stage in order to identify learners:

1. Who have the capability and skills to study through the medium of Welsh, and
2. Who have noted their desire to further develop their Welsh skills.

This allows the Bilingualism Team to plan a suitable programme of language workshops for learners and to work with tutors to plan a suitable bilingual / Welsh medium curriculum for those learners wishing to study through the medium of Welsh.

Members of the Bilingualism Team will arrange to meet with Welsh speaking learners on a regular basis to discuss and record progress whilst working through the medium of Welsh.

The 'Help Llaw' programme continues where Language Advisors provide one-to-one and in-class support for Welsh speaking learners.

Welsh lessons are available for those learners wishing to learn the Language and language skills workshops are offered for learners who study through the medium of Welsh but need to develop their written skills further.

The college has piloted a new Welsh for Employment programme which has been delivered as "Bitesize" 30 minutes sessions incorporated into the course timetable. The programme is tailored to meet the specific needs of learners in different vocational areas in order to equip them with the Welsh language skills needed in the workplace.

Promotion of the Welsh language and Welsh ethos continues and a calendar of Welsh Enrichment and social events is arranged by the Bilingual Education Co-ordinator.

Teaching and Learning Development Plan

The strategy for 2016/17 notes that the college will:

- Provide a student learning experience of the highest quality
- Identify and embed innovative and inspirational teaching and learning methodologies in all curriculum areas
- Enrich and value the learning experience for all students
- Ensure that all learners enjoy the best possible learning experience which meets their individual needs
- Encourage personal reflection, subject specific and wider skills
- Provide our students with the skill-sets and ethos to make them a first choice for employers.

This strategy embeds the Welsh Government's Ministerial Priorities (2016-2017) and each year the college produces a Teaching and Learning Development Plan that seeks to fulfil the above with a series of specific activities. The T&L Development Plan is linked to other key plans to include the Operational Plan and the Quality Development Plan, and is monitored by the Curriculum, Quality, Teaching and Learning Committee.

A team of Teaching and Learning Champions have delivered a programme of Innovation in Teaching and Learning activities that has been delivered during staff development days, twilight sessions, workshops and mentoring sessions, by a team to include six Teaching and Learning Champions.

A film has been produced which captures their work and this was presented at the Wales Nexus conference last May. The T&L team report that there has been a culture shift and staff are willing to share, not just their

Coleg Ceredigion

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2017 (continued)

new teaching ideas/innovations, but also challenges within their teaching. This is evidenced in the film where staff talk about honesty, generosity and sharing experiences.

An ILT Co-ordinator and Digital Literacy Practitioner works with the Teaching and Learning Champions to develop skills in integrating digital literacy throughout their teaching and learning, and to enhance learner experience and achievement.

Following a period when digital tools were not a high priority, many staff lost confidence in using them. The college has been able to provide staff with more dynamic support structures, overcoming initial staff scepticism through:

- one-to-one appointments, booked through the college's innovative streamlined and accessible Work Bench, highly tailored to individual staff needs;
- following the ILT Coordinator's attendance at the JISC Digital Capability Leadership programme, a series of group staff development days were put in place;
- working closely to support staff in utilising innovative technologies within their T&L interventions;
- Organising accredited Digital Literacy Practitioners Training at level 3 for a group of 16 staff.

There has been a marked culture shift from a tendency to keep resources to oneself towards a sharing, mutually supportive and collaborative culture, which is enabling all members of staff to work together more effectively and efficiently. The college is monitoring the use of digital literacy and assessing its impact on learners during T&L observations and Learner Walks. Learners have been involved in the evaluation via learner voice activities to include focus groups, on-line questionnaires, and feedback following lesson observations.

Lessons learned by CPD participants were collated and disseminated with all material through a dedicated Moodle page in the staff area.

Impact on strategy:

- efficiency savings in terms of reducing paper and streamlining workflows
- The ILT co-ordinator post has led to far greater consultation with UWTSO, enabling strategic collaboration at various levels, including the establishment of Technology Enhanced Learning Group (UWTSO, Coleg Sir Gar and Coleg Ceredigion)
- technology at Coleg Ceredigion is now always viewed from a learners' perspective

Impact on staff and curriculum:

- More flexible teachers, able to integrate digital tools in daily practice.
- Created new, more efficient workflows for business support staff, and hence lecturers, saving time;
- 16 cross-campus lecturers now attend the Digital Literacy Practitioner course, and delivered the new Essential Skill Digital Literacy from September 2016;
- All staff and students now have Office 365 accounts, which enables lecturers to share resources more easily with students and for students to collaborate with each other digitally; and
- Students have an official college email address, enabling more professionalised communication.

LEARNER VOICE (FE)

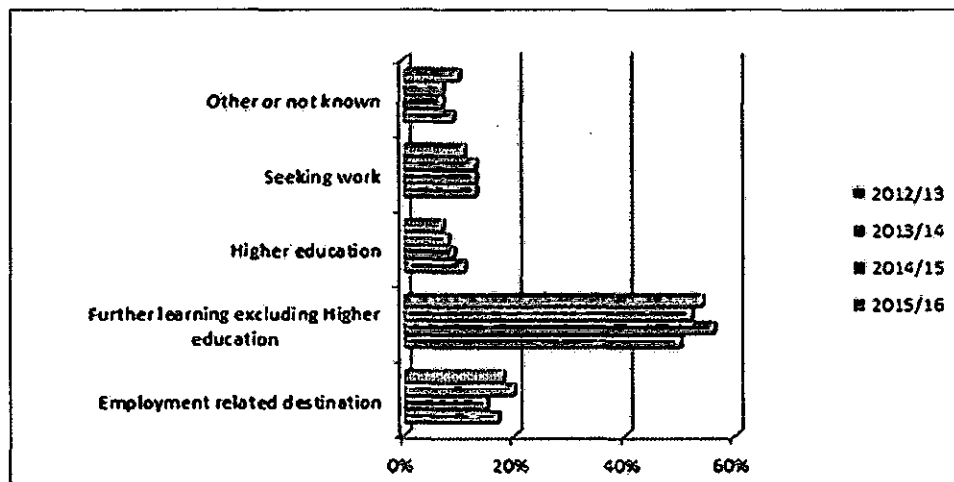
The data used relates to the financial year 2015/16 as this is the latest set available.

Learners are positive about coming to college, participate well and enjoy their lessons. The end of year Student Satisfaction Survey identified that 96% of learners felt that *'being in college helped them reach their goals'*. Learning Walks carried out during 2016-17 identified that learners feel supported by curriculum, support and welfare staff.

Coleg Ceredigion

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2017 (continued)

Destinations are captured during the end of year audit and there has been no significant change over the past four years.



All learners sign the Student Contract and feel that it gives them clear boundaries in terms of appropriate behaviours. Most learners' behaviour in sessions observed is good and most learners demonstrate high levels of mutual respect.

Nearly all learners feel safe in the college and benefit from its friendly, inclusive atmosphere. Learners are very positive about the support they receive from college staff and peers, which is reflected in the results of the end of year Student Satisfaction Survey, and responses during Learning Walks.

Comments from learners during learning walks and the student satisfaction survey indicate that learners feel supported by their tutors, welfare and learning support staff. For example:

'the safe and welcoming study environment provided'
'the supportive and nurturing atmosphere'
'the tutors encourage me to reach my full potential'
'the behaviour of students is much better than it is in school and we are all encouraged to respect one another'.

The College is part of the Cynnydd Project and has invested in a team of mentors whose remit includes Wellbeing, Attendance, Behaviour, Community Involvement and Safeguarding.

The attendance rate for learners on all courses who were actively involved in learning activities during 2015-16 was good, with rates of 94% for full-time courses and 96% for part-time courses. The college measures 'raw' attendance i.e. actual (physical) attendance in college (not taking into account sickness or authorised absence), as well as overall attendance. Both rates have improved over the past three years.

	16/17		15/16		14/15	
	Attendance %	Actual Attendance %	Attendance %	Actual Attendance %	Attendance %	Actual Attendance %
FT	94.01	85.67	93.01%	83.72%	92.62%	82.64%
PT	96.10	88.74	94.11%	85.16%	94.33%	84.71%

Learner attendance is continually monitored by Student Liaison Administrators and Course Tutors and up to date attendance data is available on the Dashboard. The data is available at Learning Area level, Course level and for individual learners. This assists in monitoring learner attendance and in identifying problems and trends and also provides staff with the information needed to support learners and manage provision effectively.

Coleg Ceredigion

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2017 (continued)

Most learners participate well in enrichment activities within their curriculum area and benefit from a number of trips and visits, which has a positive impact on their learning. Learners are also given the opportunity to develop their interpersonal skills through cross-college and charity events.

- Hair and Beauty students benefitted from a visit to the college by Elin Rhiannon, a screen and stage hair and makeup artist. She has worked on various productions for the BBC, S4C and Channel 4, and was able to give learners a valuable insight to some of the techniques used in film and television makeup. During the workshop she explained how being a Welsh-speaker was a catalyst in providing her with her first break before opening the door to opportunities in other productions. Hair and Beauty students made a significant mark on the national Salon Cymru Awards recently by scooping two top awards.
- Carpentry and construction students again enjoyed the company of Carwyn Lloyd Jones, of Timber Design Wales based in Bow Street near Aberystwyth. He is a past Carpentry student and his innovative designs caught the attention of the Channel 4 show, George Clarke's Amazing Spaces. Mr Lloyd Jones was featured for creating a quirky caravan from an old trailer chassis and other upcycled and reclaimed materials such as CDs and old pallets. He also won the C4 competition 'Cabins in the Wild'. Students participated as part of the CWIC project.
- Brickwork students visited the Senedd building, amongst others, in Cardiff. The visit gave them the opportunity to look at the diverse and impressive array of architecture the capital has to offer. Looking at some of Cardiff's most iconic and ambitious structures highlighted the challenges faced by workers in the construction industry.
- Motor Vehicle students have visited GE Aviation as part of the Reaching Wider project to showcase progression in STEM subjects to increase employability and progression opportunities. The project won a Reaching Wider Award and it is planned to continue links with GE to include an element of work experience.
- Catering students have been involved a series of pop up restaurants held at Aberista, all of which have had 'show-cooking' and table theatre. Local businesses have been involved along with past students who have gained employment in prestigious establishments across the UK. Cardigan campus students participated in a week's long experience at Cheltenham Race course. This provided them with the industrial restaurant experience along with working with silver service offer.
- Performing Arts and Art and Design students have put on shows and exhibitions in a variety of venues in the local area. A number of Level 3 Performing Arts students took up prominent roles in the January Warden's production of Jack and the Beanstalk. Media learners have visited the UWTSO Media department.
- Business students took part in the Urdd finals of the Enterprise Competition to find the next generation of entrepreneurs. Coleg Ceredigion gained first, second and third in the competition where a business idea was entered and they then had to present their ideas to a panel of judges. Students worked to put their entrepreneurial skills to the test, turning ideas into action, preparing a business plan, associated marketing and pitching.
- Students and staff from the Cardigan Campus visited The Skills Show at the NEC in Birmingham. They visited a number of areas and both staff and students gained information about training and career opportunities. Coleg Ceredigion hosted the Regional Construction Skills competitions in Cardigan in March. Construction learners progressed to the Skill finals at Coleg Menai.
- Once again, Coleg Ceredigion learners were very successful in a number of other Urdd competitions. They secured places in both the Under 19 and 19-25 categories in the Cogurdd competition on the Maes at Bridgend, and they also gained first, second or third place in many of the homework competitions.

Entrepreneurship education is embedded within the curriculum and learners benefit from a programme of

Coleg Ceredigion

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2017 (continued)

activities led by the Head of Commercial Services and Enterprise. Work-related experience opportunities and activities are provided for all college learners on long (full-time) courses. These include work placements, workshops, master-classes, talks from employers and Big Ideas Wales Role models.

For 2016-17, 96% of learners stated that they had been encouraged to think about their future career, and 97% stated that completing the course will help them to get a better job.

Following the implementation of the Cynnydd Project, retention on full time courses is currently 87% in 2016-17 compared with 79% in 2015-16.

The work of the mentors under the Cynnydd project has had a significant impact on retention during the first term of the academic year. When compared with last year it is clear that retention has improved:

2015/16

Early leavers before Nov 1	60
Leavers (full time) during 15/16 (from 1 Nov)	85
Total leavers during 15/16 (from enrolment)	145

2016/17

Early leavers before Nov 1	19
Leavers (full time) (from 1 Nov) 16/17	80
Total leavers during 16/17 (from enrolment)	99

Learners have been enjoying mentor-led lunchtime motivation and sporting activities on both campuses such as Box Fit, indoor and outdoor table tennis, yoga, swimming, gym, walking, pool.

Mentors have run an effective 'Courtesy Campaign' with all learners which has seen all groups participate in hour-long tutorials evaluating what courtesy and respect means to them and how they can show this during college life. Posters have been displayed across both campuses showing the results of student responses.

Feedback from learners who have accessed mentoring support in 2016-17 show that 95% believe that the mentor did all they could to support them and 86% felt that they had gained confidence through the support of a mentor. Some of the comments noted are:

"it has helped me a lot because of what I was going through"

"helped me break out of a very horrible phase I was in which enabled me to move forward with life"

"been there for me all year whenever I've needed someone to talk to"

"great to have somewhere to go when life and college gets too much"

Coleg Ceredigion

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2017 (continued)

During 2016 the college secured funding to enhance and expand its estate. With support from Welsh Government, a number of exciting projects were undertaken including:

- Expansion of Hair & Beauty Salon to create space for new nail bar benches and spaces
- Enhancements to Performing studios to improve the heating system within the space
- Upgrades to the street lighting on both campuses with new LED Fittings and photocell and dimming technology. These units will reduce energy consumption on external lighting and reduce CO2 emissions
- New floor coverings to Art studios enhancing underfloor heating to these areas
- New water dispensers installed to encourage hydration and healthy living.

Important remedial works and repairs have been carried out to the main buildings across both campuses, this includes external redecoration and protection of exposed wood fascias and cladding. And, changes and upgrades to electrical circuits in various parts of the campuses to accommodate new equipment or demand.

Work is continuing to provide additional welfare and recreational spaces on both campuses for the learners and, planning in consultation with the student body, is well advanced, this student input is considered essential and should enable stronger ownership and input by and from the students which will provide spaces that the students will respect and utilise to the full.



Coleg Ceredigion Aberystwyth Campus

Coleg Ceredigion

STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2017 (continued)



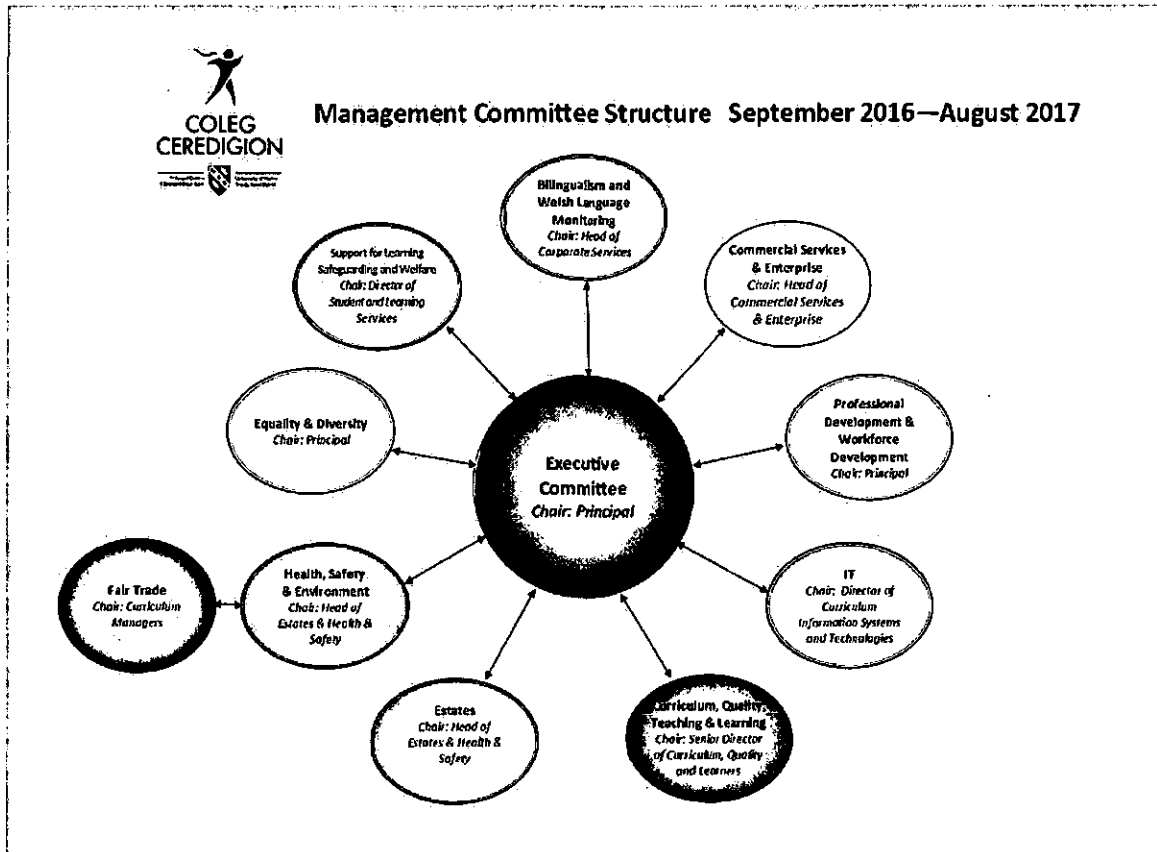
Coleg Ceredigion Cardigan Campus

Coleg Ceredigion

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2017 (continued)

STAFF AND STUDENT INVOLVEMENT

Staff and students are involved in the annual review and setting of the Mission, Aims and Key Objectives of the college in meetings lead by the Principal. All staff and students are actively encouraged to comment on the work of the college through their Line Managers, Student and Staff Focus Groups and directly to the Principal. Formal communication channels and committee structures are as shown on the following chart.



Coleg Ceredigion

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2017 (continued)

REVIEW OF PRINCIPAL RISKS AND UNCERTAINTIES

The Risk Management Action Plan has been developed in order to manage and reduce the impact and likelihood of the risks listed in the register. Progress in relation to the achievement of the Action Plan is monitored by the Executive termly and at the Audit Sub-Committee of the Governing Body at each of its meetings.

All changes and updates to the Register and Action Plan are considered by the Audit Committee prior to being presented to the Board of Governors for approval unless meeting schedules do not allow and it is necessary to report a matter directly to the Board because of an accelerated risk level. An additional column is added to the Action Plan for the purpose of reporting updates.

Training on risk for all staff took place in June 2014 in order to embed and consolidate risk awareness into the fabric of the institution.

In 2016-17 the college continued to work with the UWTSD Group to develop a new common framework across the Group.

RISKS

The key risks to the college as listed in the Risk Register were:

- Not meeting legislative requirements
- Failure to collaborate effectively
- Failure to provide high quality Teaching and Learning
- Not recruiting and retaining sufficient students
- Failure to recruit or utilise appropriately skilled staff
- Failure of the college's IT systems
- Fire or other disaster which affects part or whole of one of the college's campuses
- Failure to achieve funding targets
- Failure to increase non DfES funding
- Insufficient funds and reserves to maintain facilities and provision

Mitigation of risks is detailed within the full Risk Register.

Outlined below in further detail are two of the principal risks facing the college for the foreseeable future. Not all of the factors are within the college's control.

Coleg Ceredigion

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2017

Reduction in government funding

The College does rely on government funding and the current climate is such that there are continuous pressures on this income stream. DfES, 'the funding body, have indicated that there could be significant cuts to the core funding in future.

This risk is mitigated in a number of ways:

Focus on:

- creating a more diversified income base through a Group Commercialisation Strategy;
- delivery in high quality teaching and learning;
- developing higher education provision;
- harmonisation of operations with a view to reducing costs;
- develop the College Work Based Learning provision;
- building partnerships with schools and business.

Failure to recruit and retain students

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

The risk is mitigated as follows:

- Focused marketing effort and partnership working with schools
- Ensuring high quality delivery of education and training
- Learner support structures to ensure learners are supported
- Diverse curriculum and progression through the levels including HE
- Partnership with local businesses to meet the needs of the local economy

This report was approved by the board on and was signed on its behalf by the board:

Signature 

Date

6/12/17

Director

Coleg Ceredigion

DIRECTORS REPORT FOR THE YEAR ENDED 31 JULY 2017

The directors present their report and the audited financial statements of the Company for the year ended 31 July 2017.

Results and future developments

The results for the year, strategy and future developments of the Company are set out in the Strategic Report on page 2.

Dividends

The company is limited by guarantee. No dividends have been paid or are recommended for the year ended 31st July 2017.

Professional advisers

Independent auditors (External) KPMG LLP, 3 Assembly Square,
Britannia Quay, Cardiff, CF10 4AX

Auditors (Internal) Mazars, 90 Victoria Street, Bristol, BS1 6DP

Bankers Barclays Bank PLC, 1-6 Pockets Wharf, East Burrows Road,
Maritime Quarter, Swansea, SA1 3XL

Solicitors Blake Morgan LLP, Bradley Court, Park Place, Cardiff CF10 3DR

Directors

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

Ms Maria Stedman *# (Chair- appointed 5th April 2017)

Ms Allison Coleman *# (Chair – 1st August 2016 up to 5th April 2017)

Mr Kevin Bryan *#

Mrs Irfana Jones *#

Miss Mared Jones *#

Mrs Jacqui Weatherburn # (resigned 31st May 2017)

Mr Dai Rogers *#

Professor Roger Earis *# (resigned 31st October 2016)

Mrs Marion Phillips *#

Mr Hywel Davies *# (appointed 1st September 2016)

Mrs Rachel Walker*# (appointed 1st September 2016)

Mr Barry Liles # (appointed 1st June 2017)

Mr John Edge *# (appointed 7th December 2016)

(* non - executive directors)

(# Trustees)

Coleg Ceredigion

DIRECTORS REPORT FOR THE YEAR ENDED 31 JULY 2017 (Continued)

Payment Performance

The College's policy on the payment of creditors is to abide by the terms of payment of suppliers. This policy applied in the 2017-17 financial year. This policy is implemented through the preparation of a main payment cycle for the calendar month-end with subsequent payments being prepared during the month to comply with payment terms.

The number of days represented by trade creditors falling due for payment within one year at the year end, compared to the total amounts invoiced to suppliers during the year, was 0 days (2016: 13 days). On the 1st of August 2017, the College became a subsidiary of Coleg Sirgar and prior to the transition all creditors were paid in advance to facilitate the move to Coleg Sirgar's finance system i.e an exceptional event.

Equality of Opportunity

Coleg Ceredigion is committed to the principle of equality of opportunity for all people who apply to the College, who study or work at the College or who are associated with or served by the College. Coleg Ceredigion will endeavour to eliminate unlawful discrimination from the College and to ensure that no applicant, student, employee or visitor receives less favourable treatment, without proper justification, on the grounds of age, colour, disability, ethnic or national origin, gender, sexual orientation, marital status, nationality, race, religion, offending background, socio-economic background or trade union membership activities or non-membership. The College has an Equality and Diversity Strategic Plan, copies of which are readily available to staff, students and the public. The College has an Equality and Diversity Committee which is a sub-committee of the Executive Committee.

Statement of responsibilities of the Directors

The directors are responsible for preparing the Strategic Report and the Directors' Report in accordance with applicable law and regulations.

Applicable law requires the directors to prepare financial statements for each financial year. The directors have therefore prepared the financial statements in accordance with applicable law and UK Accounting Standards, including the Statement of Recommended Practice – Accounting for Further and Higher Institutions 2015, the Accounts Direction for 2016/17 Accounts Direction issued by the Welsh Government, and Financial Reporting Standard 102 – the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

In addition, within the terms and conditions of the financial memorandum agreed between the College and Welsh Government (WG), the directors are required, through the accounting officer, to prepare financial statements for each financial period which:

- comply with the College's Instrument and Articles, all statutory requirements relating to the College's financial affairs, the Financial Memorandum, any other requirements of the Welsh Government, and any other regulations relating to the constitution and activities of the College which are relevant to its financial affairs;
- give a true and fair view of the state of affairs of the College, and their surplus or deficit and cash flows for that period.

In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- assess the group and College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate and proper accounting records that are sufficient to show and explain the College's transactions and disclose with reasonable accuracy at any time the

Coleg Ceredigion

DIRECTORS REPORT FOR THE YEAR ENDED 31 JULY 2017 (Continued)

financial position of the College and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to

fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the College and to prevent and detect fraud and other irregularities.

In addition, within the terms and conditions of the financial memorandum agreed between the College and Welsh Government (WG), the directors are responsible for establishing and maintaining a system of controls, financial and otherwise, in order to carry on the operation of the College in an orderly and efficient manner, ensure adherence to management policies, safeguard the assets, ensure that funds have been applied for the purposes for which they were given and secure, as far as possible, the completeness and accuracy of the records.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure of information to auditors

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

Independent auditors

KPMG LLP has indicated their willingness to continue in office and have offered themselves for reappointment in accordance with the Companies Act 2006.

This report was approved by the Board on 6/12/17 and was signed on behalf of the Board by:

Director



Date:

6/12/17

Coleg Ceredigion

CORPORATE GOVERNANCE STATEMENT

Introduction

Coleg Ceredigion is committed to exhibiting best practice in all aspects of corporate governance.

This summary describes the manner in which the College has applied the principles set out in the Code of Good Governance for Colleges in Wales, as issued by Colegau Cymru (Colleges Wales). Its purpose is to help the reader of the financial statements understand how the principles have been applied.

In the opinion of the directors, the College complies with all the provisions of the Code in so far as they apply to the Further Education Sector and it has complied throughout the year ended 31 July 2017 and up to the date of signing the financial statements.

The Board of Directors

The Company Board of Directors are listed on page 22. It is the Directors' responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct. The Company recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times.

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

The Company conducts its business through a number of committees. Each committee has terms of reference which have been approved by the Board. These committees are the Audit and Risk Committee, the Curriculum and Standards Committee, the Finance and General Purposes Committee and the Search Committee. Full minutes of all meetings, except those deemed to be confidential by the Board, are available from the Clerk to the Board, who is based at the Cardigan Campus.

All directors are able to take independent professional advice in furtherance of their duties at the College's expense and have access to the Clerk to the Board, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment and removal of the Clerk to the Board are matters for the Board as a whole.

Formal agendas, papers and reports are supplied to directors in a timely manner, prior to Board meetings.

The Board has a strong and independent non-executive element and no individual or group dominates its decision making process. The Board 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 judgment.

There is a clear division of responsibility in that the roles of the Chair and Principal are separate.

Appointments to the Board of Directors

Any new appointments to the Board are a matter for the consideration of the Board as a whole. The Board has a Search Committee, comprised of the Chairs of all Sub-Committees, the Chair and Vice Chair of the Board and the Principal, which is responsible for the selection and nomination of any new member for the Board's consideration. Following Board approval all appointments are subject to ratification by UWTSD's Nominations and Governance Committee. The Board is responsible for ensuring that appropriate training is provided as required.

Members of the Board are appointed for a term of office not exceeding four years.

Coleg Ceredigion

CORPORATE GOVERNANCE STATEMENT (continued)

Audit and Risk Committee

The Audit and Risk Committee comprises up to four members of the Board of Directors (excluding the Chair and Principal). The committee operates in accordance with written terms of reference approved by the Board.

The Audit and Risk Committee meets at least three times a year and provides a forum for reporting by the College's internal and external 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 as they affect the College's business.

The college's internal auditors monitor the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the Audit and Risk Committee.

Management are responsible for the implementation of agreed audit recommendations and internal audit undertake periodic follow-up reviews to ensure such recommendations have been implemented.

The Audit and Risk Committee also advises the Board of Directors on the appointment of internal and external auditors and their remuneration for both audit and non-audit work.

Internal Control

Scope of Responsibility

The Board 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 mis-statement or loss.

The Board has delegated the day-to-day responsibility to the Principal, 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 Principal is personally responsible, in accordance with the responsibilities assigned to him in the Financial Memorandum between the Welsh Government and Coleg Ceredigion. The Principal is also responsible for reporting to the Board of Directors 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 institution policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Coleg Ceredigion for the year ended 31 July 2017 and up to the date of approval of the annual report and financial statements.

Coleg Ceredigion

CORPORATE GOVERNANCE STATEMENT (continued)

Capacity to handle risk

The Board 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 Board 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 year ended 31 July 2017 and up to the date of approval of the annual report and financial statements.

The risk and control framework

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

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

Coleg Ceredigion 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 institution is exposed and annual internal audit plans are based on this analysis. As a minimum annually, the head of internal audit provides the Board with a report on internal audit activity in the College.

The internal audit plans are endorsed by the Board based on the recommendation of the Audit Committee. The report includes the head of internal audit'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 Principal 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 external auditors and Welsh Government auditors in their management letters and other reports.

The Principal has been advised on the implications of the result of the review of the effectiveness of the system of internal control by the Audit and Risk Committee, which oversees the work of the internal auditor, and plans to address weaknesses and ensure continuous improvement of the system are in place.

Coleg Ceredigion

CORPORATE GOVERNANCE STATEMENT (continued)

The Executive Committee receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention. The Audit and Risk Committee receives regular reports from internal audit, which includes recommendations for improvement. The Audit and Risk Committee's role in this area is confined to a high level review of the arrangements for internal control. The Board's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the audit and risk management committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2017 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2017 by considering documentation from the senior management team and internal audit, and taking account of events since 31 July 2017.

Based on the advice of the Audit Committee and the Principal, the Board is of the opinion that the College has an adequate and effective framework for governance, risk management and control.

Statement on regularity, propriety and compliance

The Directors have considered their responsibility to notify the Welsh Government of material irregularity, impropriety and non-compliance with Welsh Government terms and conditions of funding, under the financial memorandum in place between the Company and the Welsh Government. As part of its consideration the Directors' have had due regard to the requirements of the financial memorandum.

We confirm, on behalf of the Company, that to the best of our knowledge, the Company believes it is able to identify any material irregular or improper use of funds by the Company, or material non-compliance with the Welsh Government's terms and conditions of funding under the Company's financial memorandum. We further confirm that any instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the Welsh Government.

Going Concern

University of Wales: Trinity Saint David has provided a letter of support indicating that, as ultimate parent of the College, it will provide financial support for a period of at least 12 months from the date of signing the 2017 financial statements, to enable the College to settle its obligations as they fall due. In this context the Board continues to adopt the going concern basis in preparing the financial statements.

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



Chair
Ms M Stedman

Date
6/12/17



Principal
Mr B Liles

Date:
6/12/17

Coleg Ceredigion

Independent auditors' report to the Members of Coleg Ceredigion (the "College")

Opinion

We have audited the financial statements of Coleg Ceredigion ("the College") for the year ended 31 July 2017 which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Balance Sheet, the Statement of Cash Flows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2017, and of its deficit of income over expenditure for the year then ended; and
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, and with the 2015 *Statement of Recommended Practice – Accounting for Further and Higher Education* and the *Accounts Direction for 2016/17* issued by the Welsh Government to further education institutions; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The directors are responsible for the other information, which comprises the Public Benefit Statement, Strategic Report, the Directors' Report and the Corporate Governance Statement. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

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

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

Coleg Ceredigion

Independent auditors' report to the Members of Coleg Ceredigion (the "College") (Continued)

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 23, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

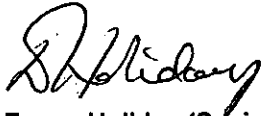
In our opinion, in all material respects:

- 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
- income has been applied in accordance with the Financial Memorandum between the Welsh Government and further education institutions.

Coleg Ceredigion
Independent auditors' report to the Members of Coleg
Ceredigion (the "College") (Continued)

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

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Emma Holiday (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
3 Assembly Square
Britannia Quay
Cardiff
CF10 4AX

Date: *12th December 2017*

Coleg Ceredigion

Statement of Comprehensive Income for the year ended 31 July 2017

	Notes	2017 £000	2016 £000
Income			
Funding body grants	2	4,552	4,237
Tuition fees and education contracts	3	507	389
Other grants and contracts	4	161	39
Other income	5	424	275
Endowment and investment income	6	-	1
Total income		5,644	4,940
Expenditure			
Staff costs	7	4,350	4,058
Fundamental restructuring costs	7	127	-
Other operating expenses	8	1,120	1,032
Depreciation	10	359	245
Interest and other finance costs	9	48	34
Total expenditure		6,004	5,369
Deficit before other gains and losses		(360)	(429)
Deficit for the year		(360)	(429)
Actuarial gain(loss) in respect of pension scheme		503	(936)
Total Comprehensive income/(expense) for the year		143	(1,365)
Represented by:		143	(1,365)
Unrestricted comprehensive income/(expense)			

All amounts are derived from continuing operations.

The accompanying notes form part of the financial statements.

Coleg Ceredigion

Statement of Changes in Reserves for the year ended 31 July 2017

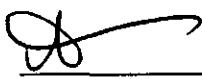
	Income and Expenditure Account £'000	Revaluation reserve £'000	Total £'000
Balance as at 1 August 2015	438	1,411	1,849
Deficit from the income and expenditure account	(429)	-	(429)
Other comprehensive expense	(936)	-	(936)
Transfers between revaluation and income and expenditure reserves	43	(43)	-
	(1,322)	(43)	(1,365)
Balance as at 31 July 2016	(884)	1,368	484
Deficit from the income and expenditure account	(360)	-	(360)
Other comprehensive income	503	-	503
Transfers between revaluation and income and expenditure reserves	43	(43)	-
	186	(43)	143
Balance as 31 July 2017	(698)	1,325	627

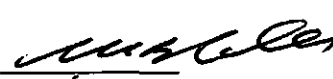
Coleg Ceredigion

Balance sheet as at 31 July 2017

		2017	2016
	Notes	£'000	£'000
Fixed assets			
Tangible fixed assets	10	5,253	4,784
Current assets			
Stocks		8	8
Trade and other receivables	11	476	182
Cash and cash equivalents	15	262	374
		746	564
Less: Creditors: amounts falling due within one year	12	(827)	(660)
Net current liabilities		(81)	(96)
Total assets less current liabilities		5,172	4,688
Less: Creditors - amounts falling due after more than one year	13	(2,303)	(1,697)
Provisions			
Defined benefit obligations	18	(1,810)	(2,052)
Other provisions	14	(432)	(455)
Total net assets		627	484
Unrestricted reserves			
Income and expenditure account		(698)	(884)
Revaluation reserve		1,325	1,368
Total unrestricted reserves		627	484

The financial statements on pages 32 to 51 were approved and authorised for issue by the Board on and were signed on its behalf on that date by:

Chair: 
Date: 6/12/17
Ms M Stedman

Director: 
Date: 6/12/17
Mr Barry Liles

Company registration no: 08725643

Charity registration no: 154557

Coleg Ceredigion

Statement of Cash Flows for the year ended 31 July 2017

	Notes	2017	2016
		£'000	£'000
Cash inflow/(outflow) from operating activities			
Deficit for the year		(360)	(429)
Adjustment for non-cash items			
Depreciation		359	245
Decrease in stocks		-	2
(Increase)/Decrease in debtors		(294)	55
(Decrease)/increase in creditors due within one year		167	(45)
Increase/(decrease) in creditors due after one year		(255)	201
Increase/(decrease) in provisions		(23)	30
Pensions costs less contributions payable		205	93
Adjustment for investing or financing activities			
Investment income		-	(1)
Interest payable		56	40
Net cash flow from operating activities		(145)	191
Cash flows from investing activities			
Investment income		-	1
Payments made to acquire fixed assets		(828)	(413)
Grants received		861	-
		33	(412)
Decrease in cash and cash equivalents in the year			
		(112)	(221)
Cash and cash equivalents at beginning of the year	15	374	595
Cash and cash equivalents at end of the year	15	262	374

Coleg Ceredigion

Notes to the financial statements for the year ended 31 July 2017

1 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.

Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2015 (the 2015 FE HE SORP), the College Accounts Direction for 2016 to 2017 and in accordance with Financial Reporting Standard 102 - "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the College's accounting policies.

Basis of accounting

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

Going concern

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

University of Wales: Trinity Saint David has provided a letter of support indicating, as ultimate parent of the college, that it will provide financial support for a period of at least 12 months from the date of signing the 2017 financial statements, to enable the College to settle its obligations as they fall due. In this context the Board has a reasonable expectation that the College has adequate resources to continue in operational existence for the foreseeable future and therefore continues to adopt the going concern basis in preparing the financial statements.

Coleg Ceredigion

Notes to the financial statements for the year ended 31 July 2017 (continued)

1 Statement of accounting policies and estimation techniques (continued)

Recognition of income

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. 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. Any under or over achievement is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account.

Grants (including research 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. 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 stated gross of any expenditure which is not a discount and is recognised in the period for which it is received.

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

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

Accounting for post-employment benefits

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

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

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. 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. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other comprehensive income.

Actuarial gains and losses are recognised immediately in other comprehensive income.

Coleg Ceredigion

Notes to the financial statements for the year ended 31 July 2017 (continued)

1 Statement of accounting policies and estimation techniques (continued)

Short term Employment benefits

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

Enhanced Pensions

The actual cost of any enhanced ongoing pension to a former member of staff is paid by the college annually. An estimate of the expected future cost of any enhancement to the ongoing pension of a former member of staff is charged in full to the College's income 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.

Non-current Assets - Tangible fixed assets

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

Land and buildings

Freehold buildings are depreciated on a straight line basis over their expected useful lives of 50 years. Freehold land is not depreciated. Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related grants are credited to a deferred income account within creditors, and are released to the income and expenditure account over the expected useful economic life of the related asset on a systematic basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable.

On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings, which were revalued in 1996, as deemed cost but not to adopt a policy of revaluations of these properties in the future.

Assets under construction

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

Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets after initial purchase it is charged to income in the period it is incurred, unless it increases the future benefits to the College, in which case it is capitalised and depreciated on the relevant basis.

Equipment

Equipment costing less than £1,000 per individual item or per group of acquired assets is recognised as expenditure in the period of acquisition. All other equipment is capitalised at cost.

Capitalised equipment is depreciated on a straight-line basis over its remaining useful economic life as follows:

- motor vehicles and general equipment 5 years
- computer equipment 3 years
- furniture, fixtures and fittings 5 years

Coleg Ceredigion

Notes to the financial statements for the year ended 31 July 2017 (continued)

1 Statement of accounting policies and estimation techniques (continued)

Leased assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term.

Leasing agreements which transfer to the College substantially all the benefits and risks of ownership of an asset are treated as finance leases.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding.

Inventories

Inventories are stated at the lower of their cost and net realisable value, being selling price less costs to complete and sell. Where necessary, provision is made for obsolete, slow-moving and defective items.

Cash and cash equivalents

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

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

Financial liabilities and equity

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.

Any loans, investments and short term deposits held by the College are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost.

Foreign currency translation

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

Taxation

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

The College is partially exempt in respect of Value Added Tax. 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.

Coleg Ceredigion

Notes to the financial statements for the year ended 31 July 2017 (continued)

1 Statement of accounting policies and estimation techniques (continued)

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.

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 discretionary support funds. Related payments received from the funding bodies and subsequent disbursements to students 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.

Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

Other key sources of estimation uncertainty

- *Tangible fixed assets*

Tangible fixed assets, 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, the remaining life of the asset and projected disposal values.

- *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 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 July 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Coleg Ceredigion

Notes to the financial statements for the year ended 31 July 2017 (continued)

2 Funding body grants

	2017	2016
	£000	£000
Recurrent grant	4,045	3,921
Work based learning	145	187
Releases of deferred capital grant:		
Buildings	133	92
Equipment	68	13
Other Revenue Grants	161	24
	4,552	4,237

3 Tuition fees and education contracts

	2017	2016
	£000	£000
UK Further Education students	148	106
UK Higher Education students	11	7
Total fees paid by or on behalf of individual students	159	113
Higher Education contracts	5	3
Other contracts	343	273
	507	389

4 Other grants and contracts

	2017	2016
	£000	£000
European Commission	161	39

5 Other income

	2017	2016
	£000	£000
Catering and residences	140	132
Other income-generating activities	45	42
Other income	0	2
Non-government capital grants	0	10
Miscellaneous income	239	89
Total	424	275

6 Endowment and investment income

	2017	2016
	£000	£000
Other interest receivable	-	1

Coleg Ceredigion

Notes to the financial statements for the year ended 31 July 2017 (continued)

7 Staff costs

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

	2017 Number	2016 Number
Teaching staff	74	77
Non-Teaching	53	49
	<hr/>	<hr/>
	127	126
Staff costs for the above persons		
	2017 £000	2016 £000
Wages and salaries	3,346	3,213
Social security costs	288	223
Other pension costs	716	621
	<hr/>	<hr/>
	4,350	4,058
Staff Restructuring	127	-
	<hr/>	<hr/>
	4,477	4,058

Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. To 31st May 2017 this included the Principal, Senior Director of Curriculum and Senior Director of Resources. From 1st June 2017 following the restructure of the senior management team of the College, key management personnel represent the 5 members of the senior management team

Emoluments of Key management personnel, Accounting

	Officer and other higher paid staff	
	2017 No	2016 No
The number of key management personnel including the Accounting Officer was:	5	3

Coleg Ceredigion

Notes to the financial statements for the year ended 31 July 2017 (continued)

7 Staff costs

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 was:

	Key Management Personnel		Other staff	
	2017 No	2016 No	2017 No	2016 No
£60,001 to£70,000	1	1	-	-
£70,001 to £80,000	-	-	-	-

Key management personnel emoluments are made up as follows:-

	2017 £'000	2016 £'000
Salaries	231	176
Benefits in kind	1	1
	232	177
Pension contributions	31	28
Total emoluments	263	205

The above emoluments include amounts payable to the Accounting Officer (who is also the highest paid officer) of:

	2017 £'000	2016 £'000
Salaries	65	77
Benefits in kind	1	1
	66	78
Pension contributions	11	13

Please note there was a change of Accounting Officer on the 31st May 2017 when the Principal left to take up another role. A notional figure of £5,000 applies to the current Principal's services from 1st June 2017. This notional cost incurred by another group company has not been recharged to the college. See note 22 for further details.

Staff severance payments totaling £54,000 are included in staff restructuring costs. This includes £37,000 for key management personnel – included in the table above.

Coleg Ceredigion

Notes to the financial statements for the year ended 31 July 2017 (continued)

8 Other operating expenses

	2017 £'000	2016 £'000
Teaching costs	420	369
Non-teaching costs	449	430
Premises	251	233
	1,120	1,032

Other operating expenses include:

	2017 £000	2016 £000
Auditor's remuneration:		
Financial statements audit	18	14
Other audit related services	5	5
Tax compliance services	3	-
Internal audit	12	12
Hire of assets under operating leases	35	25

9 Interest and other finance costs

	2017 £000	2016 £000
Pension finance costs (note 18)	48	34

10 Tangible fixed assets

	Land and buildings Freehold £000	Equipment £000	Total £000
Cost or valuation			
At 1 August 2016	7,478	2,814	10,292
Additions	0	829	829
Disposals	0	(1)	(1)
At 31 Jul 2017	7,478	3,642	11,120
Depreciation			
At 1 August 2016	2,852	2,656	5,508
Charge for the year	204	155	359
Eliminated on disposal	0	0	0
At 31 Jul 2017	3,056	2,811	5,867
Net book value at 31 July 2017	4,422	831	5,253
Net book value as at 31 July 2016	4,626	158	4,784

Coleg Ceredigion

Notes to the financial statements for the year ended 31 July 2017 (continued)

11 Trade and other receivables

	2017 £'000	2016 £'000
Amounts falling due within one year:-		
Trade receivables	51	30
Amounts owed by group undertaking:	222	9
Prepayments and accrued income	203	143
Total	476	182

12 Creditors: amounts falling due within one year

	2017 £'000	2016 £'000
Trade payables	9	167
Amounts owed to group undertakings	57	27
Other taxation and social security	152	122
Accruals and deferred income	458	247
Deferred income - government capital grants	151	97
Total	827	660

13 Creditors: amounts falling due after more than one year

	2017 £'000	2016 £'000
Deferred income - government capital grants	2,303	1,697

14 Provisions

	Enhanced Pensions £'000
At 1 August 2016	455
Expenditure in the year	(31)
Additions in year	8
At 31 July 2017	432

The enhanced pension provision relates to the cost of staff that have already left the College's employ and commitments for reorganisation costs from which the College cannot reasonably withdraw at the balance sheet date. This provision has been recalculated in accordance with guidance issued by the funding bodies.

The principal assumptions for this calculation are:

	2017	2016
Price inflation	3.5%	3.5%
Discount rate	1.7%	1.7%

Coleg Ceredigion

Notes to the financial statements for the year ended 31 July 2017 (continued)

15 Cash and cash equivalents

	At1 August 2016 £'000	Cash flows £'000	Other changes £'000	At 31 July 2017 £'000
Cash and cash equivalents	374	(112)	0	262

16 Capital Commitments

	2017 £'000	2016 £'000
Commitments contracted for at 31 July		

17 Lease Obligations

At 31 July the College had minimum lease payments under non-cancellable operating leases as follows:

	2017 £'000	2016 £'000
Future minimum lease payments due		
Other than land and buildings		
Not later than one year	36	31
Later than one year and not later than five years	46	66
	<u>82</u>	<u>97</u>

18 Defined benefit obligations

The College's employees belong to two principal post-employment benefit plans: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Dyfed Pension Scheme (LGPS) for non-teaching staff, which is managed by Mercer Limited. Both are multi-employer defined-benefit plans.

	2017 £'000	2016 £'000
Total pension cost for the year		
Teachers' Pension Scheme: contributions paid	292	284
Local Government Pension Scheme:		
Contributions paid	211	183
FRS 102 (28) charge	205	93
Charge to the Statement of Comprehensive Income	416	276
Enhanced pension charge to Statement of Comprehensive Income	8	61
Total Pension Cost for Year	<u>716</u>	<u>621</u>

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 2012 and of the LGPS 31 March 2016.

Contributions amounting to £40,000 (2016: £37,000) were payable to the TPS scheme and £25,000 (2016: £22,000) were payable to the LGPS scheme at the year-end and are included in creditors.

Coleg Ceredigion

Notes to the financial statements for the year ended 31 July 2017 (continued)

18 Defined benefit obligations (continued)

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial review of the TPS was carried out as at 31 March 2012 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education (the Department) on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 16.48% of pensionable pay;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £14.9 billion;
- an employer cost cap of 10.9% of pensionable pay.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:
<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>

Coleg Ceredigion

Notes to the financial statements for the year ended 31 July 2017 (continued)

18 Defined benefit obligations (continued)

Scheme Changes

Following the Hutton report in March 2011 and the subsequent consultations with trade unions and other representative bodies on reform of the TPS, the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

Regulations giving effect to a reformed Teachers' Pension Scheme came into force on 1 April 2014 and the reformed scheme commenced on 1 April 2015.

The pension costs paid to TPS in the year amounted to £292,000 (2016: £284,000).

FRS 102 (28)

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Carmarthenshire Local Authority. The total contribution made for the year ended 31 July 2017 was £294,000, of which employer's contributions totalled £211,000 and employees' contributions totalled £83,000. The agreed contribution rates for future years are 15.2% for employers, rising to 16.2% from 1 April 2018. Employee contributions range from 5.5% to 7.5% cent, depending on salary.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 July 2017 by a qualified independent actuary

	2017	2016
Rate of increase in salaries	3.70%	3.20%
Future pensions increases	2.20%	1.80%
Discount rate for scheme liabilities	2.50%	2.50%
Inflation assumption (CPI)	2.20%	1.70%
Commutation of pensions to lump sums	50%	50%

Coleg Ceredigion

Notes to the financial statements for the year ended 31 July 2017 (continued)

18 Defined benefit obligations (continued)

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

	2017	2016
	years	years
<i>Retiring today</i>		
Males	22.80	23.40
Females	25.50	25.90
Males	25.00	25.70
Females	27.80	28.20

The College's share of the assets in the plan and the expected rates of return were:

	Long-term rate of return expected at 31 July 2017	Fair Value at 31 July 2017	Long-term rate of return expected at 31 July 2016	Fair Value at 31 July 2016
		£'000		£'000
Equities	70.90%	6,878	68.90%	6,070
Government Bonds	9.20%	893	10.50%	925
Other Bonds	9.50%	922	9.50%	837
Property	9.70%	941	10.80%	951
Cash	0.70%	68	0.30%	26
Total market value of assets		9,702		8,809
Actual return on plan assets		934		998

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

	2017	2016
	£'000	£'000
Fair value of plan assets	9,702	8,809
Present value of plan liabilities	(11,512)	(10,861)
Net pensions (liability)	(1,810)	(2,052)

Coleg Ceredigion

Notes to the financial statements for the year ended 31 July 2017 (continued)

18 Defined benefit obligations (continued)

Amounts recognised in the Statement of Comprehensive Income in respect of the plan are as follows:

	2017 £'000	2016 £'000
Amounts included in staff costs	416	276
Amounts included in interest and other finance		
Net interest	48	34
Amounts recognised in Other Comprehensive Income		
Return on pension plan assets	714	702
Changes in assumptions underlying the present value of plan liabilities	(211)	(1,638)
Amount recognised in Other Comprehensive income/(expense)	503	(936)

Movement in net defined benefit (liability)/asset during the year

	2017 £'000	2016 £'000
Deficit in scheme at 1 August	(2,052)	(983)
Movement in year:		
Current service cost	(416)	(276)
Employer contributions	211	183
Net interest on the defined (liability)/asset	(48)	(34)
Administration charge	(8)	(6)
Actuarial gain(loss)	503	(936)
Net defined benefit pension liability asset at 31 July	(1,810)	(2,052)

Asset and liability reconciliation

	2017 £'000	2016 £'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of year	10,861	8,784
Current Service cost	416	276
Interest cost	268	331
Contributions by Scheme participants	83	72
Changes in financial assumptions	211	1,638
Estimated benefits paid	(327)	(240)
Defined benefit obligations at end of year	11,512	10,861

Coleg Ceredigion

Notes to the financial statements for the year ended 31 July 2017 (continued)

18 Defined benefit obligations (continued)

Reconciliation of assets

	2017	2016
	£'000	£'000
Fair value of plan assets at start of year	8,809	7,801
Interest on plan assets	220	297
Return on plan assets	714	702
Employer contributions	211	183
Administration Charge	(8)	(6)
Contributions by Scheme participants	83	72
Estimated benefits paid	(327)	(240)
Assets at end of year	<u>9,702</u>	<u>8,809</u>

19 Related party transactions

Owing to the nature of the College's operations and the composition of the board of governors 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 board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the College's financial regulations and normal procurement procedures.

The total expenses paid to or on behalf of the Governors during the year was £950; 4 governors (2016: £1,424; 4 governors). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings and charity events in their official capacity.

No Governor has received any remuneration or waived payments from the College or its subsidiaries during the year (2016: None).

The following transactions were undertaken during the year and balances held with related parties at the year-end:

University of Wales: Trinity Saint David - Parent

Receivable £222,194 (2016 £28,544) Payable £57,672 (2016 £47,268)

Total Income for the year £224,494 (2016 £29,264)

Total Purchases for the year £67,975 (2016 £62,655)

Coleg Sir Gar - Group Member

Receivable £nil (2016 £nil) Payable £nil (2016 £nil)

Total Income for the year £nil (2016 £1,003)

Total Purchases for the year £4,922 (2016 £300)

Fforwm Services Limited – Barry Liles is a director

Total income for the year £11,296 (2016:£nil)

Total purchases for the year £7,909 (2016:£nil)

Coleg Ceredigion

Notes to the financial statements for the year ended 31 July 2017 (continued)

20 Amounts disbursed as agent

FINANCIAL CONTINGENCY FUND

	2017 £'000	2016 £'000
Balance b/f	6	10
Grant Received	130	145
	<hr/> 136	<hr/> 155
Disbursed to students	(116)	(144)
Administration costs	(4)	(5)
	<hr/> 16	<hr/> 6

Funding body grants are available solely for students. In the majority of instances, the College only acts as a paying agent. In these circumstances, the grants and related disbursements are therefore excluded from the Statement of Comprehensive Income.

21 Ultimate parent undertaking

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

University of Wales: Trinity Saint David
Carmarthen Campus
Carmarthen
SA31 3EP

22 Post balance sheet events

Coleg Ceredigion became a subsidiary of Coleg Sir Gar, a fellow group company and further education college based at Llanelli (a charitable company limited by guarantee), on the 1st of August 2017, with the direct ownership of the guarantee transferring from Coleg Ceredigion's ultimate parent, University of Wales: Trinity Saint David, for no consideration. The principal of Coleg Sir Gar became the principal of Coleg Ceredigion on 1 June 2017. Coleg Ceredigion will continue to operate as a separate institution.